



ECONOMIC DEVELOPMENT  
GROWTH ENGINE  
FOR MEMPHIS & SHELBY COUNTY

## EDGE NEED GRANT AGREEMENT

Grant from EDGE to Uptown Cuts ("Grantee") in the amount of \$5,000 ("Grant") from May 15, 2020 ("Effective Date") through July 31, 2023 (the "Effective Period").

This Grant Agreement ("Agreement") is entered into as of the Effective Date by and between the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE") and Grantee, with respect to the following:

### PRELIMINARY STATEMENTS

A. EDGE has made available funding for economic development initiatives in response to the COVID-19 pandemic that impose significant financial hardships on the city of Memphis and especially in the areas containing property that qualify as Federal New Markets Tax Credit Eligible Tracts.

B. Grantee is a small business (defined as having less than \$1,000,000.00 in annual gross revenue) that has suffered at least a 25% reduction in gross revenue due to the COVID-19 pandemic.

C. EDGE has determined that the Grant to Grantee, for the purposes and on the terms and conditions stated below in this Agreement, will further EDGE's economic development purposes by funding the activities described in the Grantee's grant application and evaluation memo presented to the Economic Development Finance Committee attached and incorporated as Attachment A.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations created hereby, EDGE and Grantee agree as follows:

1. **Grant Amount, Disbursement and Time Period.** Upon Grantee's execution and delivery of this Agreement to EDGE, EDGE shall disburse the Grant to Grantee in the form of a check or wire transfer. The effective period for this grant is for the Effective Period.

2. **Purpose and Specific Uses of Grant.** EDGE is making this grant in furtherance of the economic development initiative set forth in Attachment A. Any changes in the purposes or use for which grant funds are spent must be approved in writing by EDGE before implementation.

3. **Reporting by Grantee.** Starting December 31, 2020 from the Effective Date, and continuing on each June 30 and December 31 until thirty-six (36) months after the grant funds are expended in full or the grant is otherwise terminated, Grantee shall submit a full and complete report to EDGE within five (5) days after the close of such period. The report shall be in the form attached hereto as Attachment B.

Such report shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made both for the period and over the term of the grant, including: all expenditures made from the granted funds and the associated matching funds; grant-related activities; metrics achieved as outlined in the grant application (e.g., retained jobs, salaries, and capital investments); and shall report on the Grantee's compliance with the terms of this grant during that fiscal year. Each such report shall be signed and certified by an authorized officer or director.

4. **Recordkeeping and Accounting.** Grantee shall keep records and receipts to substantiate such expenditures as well as expenditures made with maturing funds. Grantee shall make such books and records available to EDGE at reasonable times, as requested by EDGE. Grantee shall keep copies of all books and records and all reports to EDGE for at least four years after completion of the use of the grant funds. EDGE is hereby authorized to conduct an audit of Grantee's books and records, and Grantee shall cooperate fully with any such audit authorized or conducted by EDGE.

5. **Prohibited Uses.** Grantee shall not use any portion of the funds granted herein, or any income therefrom:

a. To undertake any of the following activities:

- o Liquor and tobacco stores
- o Adult entertainment and product stores
- o Pawnshop, Payday loans, Title loan establishments
- o Car dealerships
- o Ministorage
- o Gas Stations
- o Financial businesses primarily engaged in lending
- o Real estate development or rental businesses
- o Insurance companies
- o Private clubs
- o Non-profit agencies
- o Home-based businesses
- o Others at the discretion of the Economic Development Finance Committee

b. To violate any state, federal or local law or regulation.

6. **Notice of Changes.** Grantee shall notify EDGE immediately of any change in Grantee's status, personnel, or funding that may impair the ability of the Grantee to fulfill its obligations under this Agreement.

7. **Indemnification.** Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless EDGE, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or

omission of Grantee, its directors, officers, employees, or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of EDGE, its officers, directors, employees or agents.

8. **Remedies.** In the event that Grantee violates or fails to carry out any provision of this Agreement, EDGE may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee, and EDGE may demand the return of all or part of the unexpended grant funds, which the Grantee shall immediately repay to EDGE.

9. **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of Tennessee. Any action brought to enforce the terms of this Agreement shall be brought in the appropriate state court located in Shelby County, Tennessee. EDGE shall be awarded its attorneys fees and expenses for this Agreement.

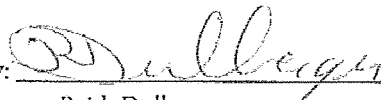
10. **Entire Agreement; Amendments and Waivers.** This Agreement shall supersede any prior oral or written understandings or communications between the parties hereto and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

11. **Counterparts.** This Agreement may be signed in counterparts, meaning that the Agreement is valid if signed by both parties, even if the signatures of the parties appear on separate copies of the same Agreement rather than on a single document.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed on the dates set forth below.

Economic Development Growth Engine  
Industrial Development Board of the City of  
Memphis and County of Shelby, Tennessee

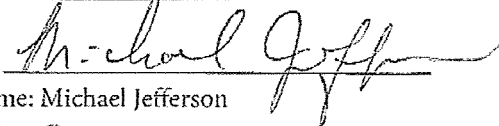
Date: \_\_\_\_\_

By:  \_\_\_\_\_

Name: Reid Dulberger

Title: President & CEO

Date: 5/18/20 \_\_\_\_\_

By:  \_\_\_\_\_

Name: Michael Jefferson

Title: Owner

Attachment A  
Grant Application

EDGE NEED Grant Evaluation Memo to Economic Development Finance Committee

	EDGE Policy Requirement	Applicant	
Business:		Uptown Cuts	
Location:		726 North Parkway #4	
Owner:		Michael Jefferson	
MWBE:		No	
Staff Recommendation:		\$5,000	
Business Type:	Retail and commercial uses are eligible with exceptions.	Barbershop	
Closed or Operational:	Businesses that remain open may qualify for up to \$10,000. Businesses that are temporarily closed may qualify for \$5,000.	Operational	
Revenue Loss:	25% or more reduction in revenue.	February 2020	\$4,500
		April 2020	\$0
		Reduction	100%
Open and Close Dates:	Locally owned and in operation prior to March 1, 2019 and through March 1, 2020.	Opened	May 15, 2005
		Closed	March 22, 2020
		Reopened	May 12, 2020
NMTC Eligible:	Located in Memphis NMTC Qualified Census Tract.	Yes	
Annual Revenue:	Annual revenue less than \$1,000,000.	Yes	\$53,076
Tax Payments:	Current on Memphis and Shelby County property taxes.	Memphis	Yes
		Shelby County	Yes
ICED Loan Recipient:	EDGE will give preference to and waive the requirement that businesses be operational for at least one year for ICED Loan recipients.	No	
Business Planning Assistance:	Registered for TSBDC advising, received an initial assessment, and scheduled follow-up counselling session.	Registered	Yes
		Counseling	Yes
		Follow-Up	Yes
COVID-19 Business Impact:	Applicant must describe the impact of COVID-19 on business.	-Forced to close as a non-essential business requiring close contact. -Fixed costs of more than \$1,100 were due in April with no revenue coming in.	
Stabilization and Recovery Plan:	Applications will be evaluated on stabilization and recovery plan, the probability that they can survive, and estimated community impact.	-Applied for SBA EIDL. -Reopened May 12. -Created an appointment only schedule. -One customer at a time allowed in the shop. -Expected gap between revenue and expenses during the recovery period is exceeds \$1,900. -Grant funds will cover rent, utilities, supplies and supplement salary as the business ramps up into recovery plan.	
Attachments:	EDGE Need Grant Application 90-Day Budget Last Filed Federal Tax Return	Attached Attached Reviewed Separately/No Concerns	

**Business Information**

Please fill out your information on the lines below.

Business Name Uptown Cuts

Business Address 726 N. Parkway #4

Business Telephone 901-208-9122

Type of Business Barber Shop

Description Provide haircuts, shaves, and shampoo services

Business Structure (Sole Proprietor, LLC, C-Corp, Partnership, S-Corp) sole proprietor

Year Incorporated \_\_\_\_\_ Date opened at current location 2005

Federal Employer Identification Number (EIN) or Social Security Number if Sole Proprietor

408-27-2179

Minority or Woman-Owned Firm. Yes  No  If yes, certified? Yes  No

By which certifying entity? \_\_\_\_\_

Number of full and part-time employees as of 2/1/2020 and their weekly total wages (include the owner(s) if paid by the business). 1

Describe employee benefits, if any (e.g., medical insurance, dental or vision insurance, retirement plan, etc.)

Have you registered for advising with TSBDC? Yes  No

Have you received an initial TSBDC assessment? Yes  No

Have you scheduled a follow-up counseling session with TSBDC? Yes  No

**Owner Information (for all owners of more than 20% of business)**

Owner's Name(s) Michael Jefferson

Home Address 6180 Heather Dr. Memphis, TN 38119

Home Telephone 901-461-5989

Email mjeffer11@yahoo.com

Owner's Name(s) Michael Jefferson

Home Address 6180 Heather Dr. Memphis, TN 38119

Home Telephone 901-461-5989

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Owner's Name(s) Michael Jefferson

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Home Address 6180 Heather Dr. Memphis, TN 38119

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Does the business, or any individuals owning more than 20 percent of the business, owe back taxes to the City of Memphis or Shelby County? Yes  No

If so, attach an explanation of how that is being satisfied along with a copy of the payment plan.

Are any individuals owning more than 20 percent of the business or the business itself involved in any lawsuits? Yes  No  If so, please attach an explanation with a copy of the complaint.

**Economic Injury to Business**

	February 2020	Last Full Month of Operation Prior to Application
Business Revenue	4500	February 2020
Part Time Employees	0	0
Full Time Employees	1	1
Total Payroll	3815	3815

In one page or less describe the impact of COVID-19 on your business including but not limited to:

- Employee or payroll reductions (Number of employees on March 1 vs. at time of application)
- Sales and revenue decreases
- Supplier interruptions
- Customer interruptions
- Ability to satisfy debts and obligations

Covid-19 has severely impacted my business. It has reduced my sales and revenue to zero. I have not been able to return and reopen my business.



**Stabilization and Recovery Plan**

In one page or less describe steps to be taken to survive and recover from COVID-19 slow-down or interruption including but not limited to:

- Addressing customer interruptions and rebuilding sales, including marketing plans
- Addressing supplier interruptions
- Satisfying any outstanding financial claims, including vendors, bank/other debt, taxes, utility charges, etc.
- Any changes to the way the business operates
- Number and type of employees needed during application period
- Key budget items
- How the EDGE NEED Grant funds will be used
- Other funds to be used for the survival and recovery of the business

My recovery plan is to allow customers to return one at time and follow social distancing guidelines. I will have to switch to an appointment only schedule to allow for disinfecting between clients. The EDGE NEED GRANT funds will be used to cover rent, utilities, order supplies, and payroll.

By signing below, I hereby grant on behalf of my staff, my employees and my company to EDGE, its directors, officers, employees, agents, and designees (collectively "EDGE Parties") non-revocable permission to capture my image and likeness in photographs, videotapes, motion pictures, recordings, or any other media (collectively "Images"). I acknowledge that EDGE will own such Images and further grant EDGE permission to copyright, display, publish, distribute, use, modify, print and reprint such Images in any manner whatsoever related to EDGE business, including without limitation, publications, advertisements, brochures, web site images, or other electronic displays and transmission thereof. I further waive any right to inspect or approve the use of the Image by EDGE prior to its use. I forever release and hold EDGE and the EDGE Parties harmless from any and all liability arising out of the use of the Images in any manner or media whatsoever, and waive any and all claims and causes of action relating to use of the Images, including without limitation, claims for invasion of privacy rights or publicity.

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this grant application are true to her/his best knowledge and belief, and are submitted for the purpose of obtaining financial assistance from the Economic Development Growth Engine for Memphis and Shelby County.

**Applicant Signature:** Michael Jefferson  
*Type Name Above*

**Date:** 04/21/2020

	June	July	August	Total
Net Sales	1185	1185	1185	3555
Rent	825	825	825	2475
Supplies	100	100	100	300
Sales Exper	95	95	95	285
Advertising	65	65	65	195
Utilities	50	50	50	150
Other	48	48	48	144
Payroll	1962	1962	1962	5886
Income	-1960	-1960	-1960	-5880

Attachment B

Report Form



100 Peabody Place  
Suite 1100  
Memphis, TN 38103-3652  
P 901-341-2100  
F 901-527-9224  
info@growth-engine.org  
www.growth-engine.org

Business Owner  
Address

RE: REQUIRED NEED GRANT PERFORMANCE REPORT

Dear NEED Grant Recipient:

As a grantee of Neighborhood Emergency Economic Development (NEED) funds, you are required to submit semi-annual reports for the next 3 years. Please take a moment to answer the questions below, sign and return this form to:

EDGE, Economic Development Growth Engine for Memphis & Shelby County  
100 Peabody Place, Suite 1100  
Memphis, Tennessee 38103

Thank you for helping us track program successes and for working so hard to improve our community.

Sincerely,

Tracy Buckley  
Manager, Economic Development Programs

NEIGHBORHOOD EMERGENCY ECONOMIC DEVELOPMENT GRANT PERFORMANCE REPORT

Grantee: \_\_\_\_\_ Project: Name, Address \_\_\_\_\_

The NEED grant was approved to secure neighborhood serving businesses and prevent the loss of job generating activities.

Are you still open for business? \_\_\_\_\_

If yes, in the last 6 months, have sales been up, down, or stable? \_\_\_\_\_

How many people are currently employed at this location? Part time \_\_\_\_\_ Full time \_\_\_\_\_

Total payroll over the last 6 months to be either January 1<sup>st</sup> – June 30<sup>th</sup> or July 1<sup>st</sup> to December 31<sup>st</sup>  
\_\_\_\_\_

Are you following the recovery plan included in your NEED Grant application? If yes, what parts have worked-out best for you? If no, please explain why?  
\_\_\_\_\_

Are you working with Tennessee Small Business Development Center (TSBDC) or other acceptable agency?  
\_\_\_\_\_

Signature: \_\_\_\_\_

To the best of my knowledge and belief, I certify the following:

That the information and attachments provided are true and accurate, and except as noted on the previous page(s) or other attachments to this document, \_\_\_\_\_ has complied with all major criteria/components related to the EDGE NEED Grant.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Date: \_\_\_\_\_

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email

Please submit completed and signed materials electronically to:

[PILOTCompliance@Growth-Engine.org](mailto:PILOTCompliance@Growth-Engine.org)

For assistance call: 901.341.2103

SAMPLE FOR DEMONSTRATION PURPOSES ONLY