

Application for Federal Assistance

ID: 2798181
Applicant Name: Vibrant Memphis Inc
Project Title: Memphis Region Capital Capacity (MRCC)
Project Period: 09/01/2019 - 08/30/2022
Federal Funding Requested: \$289,500.00
Non-Federal Funding Requested: \$295,000.00
Fiscal Year of Funding Requested: 2019
Federal Application Receipt Date: 04/04/2019
Submitted for: FY 2019 Regional Innovation Strategies Program
Federal Funding Opportunity Number: EDA-HDQ-OIE-2019-2005942
CFDA Number: 11.020

Application Documents for Review

File Name	Description	Page
Form SF424_2_1-V2.1.pdf	SF-424 Application Cover Sheet from Grants.gov	3
Form SF424A-V1.0.pdf	Budget Information - Non-Construction Programs from Grants.gov	6
SF424_2_1-1246-Vibrant_Memphis_MemphisMSA_CongDists.pdf	SF-424 Attachment from Grants.gov	9
SF424_2_1-1245-Vibrant_Memphis_MemphisMSA_CongDists.pdf	SF-424 Attachment from Grants.gov	10
Form SF424B-V1.1.pdf	Assurances - Non-Construction Programs from Grants.gov	11
Form CD511-V1.1.pdf	Certification Regarding Lobbying from Grants.gov	13
BudgetNarrativeAttachments_1_2-Attachments-1234-Vibrant_Memphis_MRCC_Budget_Staffing_Plan_FINAL.pdf	Attachment from Grants.gov	14
AttachmentForm_1_2-ATT3-1237-Vibrant_Memphis_EDASFS_APP_A_FORM.pdf	Attachment from Grants.gov	18
AttachmentForm_1_2-ATT2-1236-Vibrant_Memphis_Epicenter_Match.pdf	Attachment from Grants.gov	19
AttachmentForm_1_2-ATT10-1244-Vibrant_Memphis_Jan_2017_TenYearPlan.pdf	Attachment from Grants.gov	20
AttachmentForm_1_2-ATT7-1241-Vibrant_Memphis_EDASFS_MRCC_Funds_Charter_Docs.pdf	Attachment from Grants.gov	75
ProjectNarrativeAttachments_1_2-Attachments-1247-Vibrant_Memphis_MRCC_Project_Narrative-FINAL.pdf	Attachment from Grants.gov	82
AttachmentForm_1_2-ATT9-1243-Vibrant_Memphis_Partners_Support_Letter.pdf	Attachment from Grants.gov	92
AttachmentForm_1_2-ATT8-1242-Vibrant_Memphis_2018_TechResources.pdf	Attachment from Grants.gov	94
Form ProjectNarrativeAttachments_1_2-V1.2.pdf	Attachment from Grants.gov	95
AttachmentForm_1_2-ATT4-1238-Vibrant_Memphis_Org_Eligibility_1of2.pdf	Attachment from Grants.gov	96
Form BudgetNarrativeAttachments_1_2-V1.2.pdf	Attachment from Grants.gov	106
AttachmentForm_1_2-ATT5-1239-Vibrant_Memphis_AgLaunch_Support.pdf	Attachment from Grants.gov	107
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AttachmentForm_1_2-ATT1-1235-Vibrant_Memphis_Memphis_Region_MSAMAP.pdf	Attachment from Grants.gov	110
AttachmentForm_1_2-ATT6-1240-Vibrant_Memphis_Org_Eligibility_20f2_MemphisMayor.pdf	Attachment from Grants.gov	111

Application for Federal Assistance SF-424

* 1. Type of Submission:

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

* 2. Type of Application:

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

04/04/2019

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

TN

8. APPLICANT INFORMATION:

* a. Legal Name:

Vibrant Memphis Inc

* b. Employer/Taxpayer Identification Number (EIN/TIN):

82-0904035

* c. Organizational DUNS:

0372578120000

d. Address:

* Street1:

Epicenter

Street2:

902 South Cooper Street

* City:

Memphis

County/Parish:

TN

* State:

TN: Tennessee

Province:

* Country:

USA: UNITED STATES

* Zip / Postal Code:

38104-5603

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name:

Fayre

Middle Name:

* Last Name:

Crossley

Suffix:

Title:

Organizational Affiliation:

Vibrant Memphis Inc

* Telephone Number:

9015815082

Fax Number:

* Email:

fayre@epicentermemphis.org

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

Department of Commerce

11. Catalog of Federal Domestic Assistance Number:

11.020

CFDA Title:

Cluster Grants

* 12. Funding Opportunity Number:

EDA-HDQ-OIE-2019-2005942

* Title:

FY 2019 Regional Innovation Strategies Program

13. Competition Identification Number:

2780446

Title:

2019 Seed Fund Support Grant

14. Areas Affected by Project (Cities, Counties, States, etc.):

1245-Vibrant_Memphis_MemphisMSA_CongDists.p

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

Memphis Region Capital Capacity (MRCC)

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

* a. Applicant

TN9

* b. Program/Project

TN9

Attach an additional list of Program/Project Congressional Districts if needed.

1246-Vibrant_Memphis_MemphisMSA_CongDists.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

09/01/2019

* b. End Date:

08/30/2022

18. Estimated Funding (\$):

* a. Federal	289,500.00
* b. Applicant	295,000.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	584,500.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☒ a. This application was made available to the State under the Executive Order 12372 Process for review on 04/01/2019 .
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

* First Name:

Fayre

Middle Name:

* Last Name:

Crossley

Suffix:

* Title:

Chief Grants & Compliance Officer

* Telephone Number:

9015815082

Fax Number:

* Email:

fayre@epicentermemphis.org

* Signature of Authorized Representative:

Fayre Crossley

* Date Signed:

04/04/2019

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 02/28/2022

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Dept of Commerce EDA Seed FundSupport	11.020	\$	\$	\$ 289,500.00	\$ 295,000.00	\$ 584,500.00
2.						
3.						
4.						
5. Totals		\$	\$	\$ 289,500.00	\$ 295,000.00	\$ 584,500.00

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SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	<div style="border: 1px solid black; padding: 5px; min-height: 150px;"> Dept of Commerce EDA Seed FundSupport </div>				
a. Personnel	\$ <input style="width: 100px;" type="text" value="0.00"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text" value="0.00"/>
b. Fringe Benefits	<input style="width: 100px;" type="text" value="0.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="0.00"/>
c. Travel	<input style="width: 100px;" type="text" value="30,000.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="30,000.00"/>
d. Equipment	<input style="width: 100px;" type="text" value="0.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="0.00"/>
e. Supplies	<input style="width: 100px;" type="text" value="0.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="0.00"/>
f. Contractual	<input style="width: 100px;" type="text" value="540,000.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="540,000.00"/>
g. Construction	<input style="width: 100px;" type="text" value="0.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="0.00"/>
h. Other	<input style="width: 100px;" type="text" value="0.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text" value="0.00"/>
i. Total Direct Charges (sum of 6a-6h)	<input style="width: 100px;" type="text" value="570,000.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text" value="570,000.00"/>
j. Indirect Charges	<input style="width: 100px;" type="text" value="14,500.00"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text" value="14,500.00"/>
k. TOTALS (sum of 6i and 6j)	\$ <input style="width: 100px;" type="text" value="584,500.00"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text" value="584,500.00"/>
7. Program Income	\$ <input style="width: 100px;" type="text" value="0.00"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text" value="0.00"/>

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	Dept of Commerce EDA Seed FundSupport	\$ 295,000.00	\$	\$	\$ 295,000.00
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$ 295,000.00	\$	\$	\$ 295,000.00

SECTION D - FORECASTED CASH NEEDS						
		Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal		\$ 289,500.00	\$ 72,375.00	\$ 72,375.00	\$ 72,375.00	\$ 72,375.00
14. Non-Federal		\$ 295,000.00	73,750.00	73,750.00	73,750.00	73,750.00
15. TOTAL (sum of lines 13 and 14)		\$ 584,500.00	\$ 146,125.00	\$ 146,125.00	\$ 146,125.00	\$ 146,125.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program		FUTURE FUNDING PERIODS (YEARS)			
		(b)First	(c) Second	(d) Third	(e) Fourth
16.	Dept of Commerce EDA Seed FundSupport	\$ 96,500.00	\$ 96,500.00	\$ 96,500.00	\$
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		\$ 96,500.00	\$ 96,500.00	\$ 96,500.00	\$

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges: 570000	22. Indirect Charges: 14500
23. Remarks:	

Vibrant Memphis, Inc. (DBA Epicenter)

Project Name: Memphis Region Capital Capacity (MRCC)

Congressional Districts for the MSA (Memphis Statistical Area) Service Area

Tennessee

Congressional District 8 (Fayette, Tipton counties)

-Representative David Kustoff

Congressional District 9 (Shelby)

-Representative Steve Cohen

Senators: Lamar Alexander, Marsha Blackburn

Mississippi

Congressional District 1 (Tate, DeSoto, Marshall, Benton Counties)

-Representative Trent Kelly

Congressional District 2 (Tunica)

-Representative Bennie Thompson

Senators: Roger Wicker, Cindy Hyde-Smith

Arkansas

Congressional District 1 (Crittenden, Saint Francis Counties)

-Representative Rick Crawford

Senators: John Boozman, Tom Cotton

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Arkansas

Congressional District 1 (Crittenden, Saint Francis Counties)

-Representative Rick Crawford

Senators: John Boozman, Tom Cotton

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
Fayre Crossley	Chief Grants & Compliance Officer
APPLICANT ORGANIZATION	DATE SUBMITTED
Vibrant Memphis Inc	04/04/2019

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Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, 'New Restrictions on Lobbying.' The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

*** NAME OF APPLICANT**

Vibrant Memphis Inc

*** AWARD NUMBER**

EDASFS

*** PROJECT NAME**

Memphis Region Capital Capacity (MRCC)

Prefix:

* First Name:

Fayre

Middle Name:

* Last Name:

Crossley

Suffix:

* Title: Chief Grants & Compliance Officer

* SIGNATURE:

Fayre Crossley

* DATE:

04/04/2019

Budget Narrative Including Description and Documentation of Matching Funds

In partnership with an EDA SFS grant that will provide \$289,500, Epicenter will provide \$295,000 in matching funds and services to launch the Formation and Co-Investment Funds.

Contract Labor:

Epicenter will spend **\$225,000** with Innova to serve as the fund manager.

Epicenter will spend **\$75,000** with contracted partners in Business to Business development for companies participating in Formation and Co-Investment Funds.

Epicenter will spend **\$200,000** with contracted recruitment partners such as Start Co. and AgLaunch to identify founders, and investors, and customers for the Formation and Co-Investment Funds.

Epicenter will spend **\$25,000** for the creation of digital and print collateral in the support of fund deployment. This will include work with contract labor for the creation of video and website materials to support this effort.

Epicenter will spend **\$15,000** with Baker Donelson for legal services for the on-boarding of each Founder into the Formation and Co-Investment Funds.

Travel: **\$30,000** for travel is based upon a best estimate of costs to be incurred for travel in support of grant activities.

Staffing: Epicenter's Executive Administrative personnel serving this work include CEO/President Leslie Lynn Smith, Chief Brand Officer Jessica Taveau, and Capital Executive in Residence Anthony Young.

Indirect costs:

\$14,500 -This amount is calculated by applying an indirect rate of 10% to a base of modified total direct costs. Epicenter does not have a current NICRA, has never received a negotiated indirect cost rate, and has elected the de minimis rate allowed.

iii. Budget Narrative with Staffing Plan

Line item	Federal share	Matching funds/ services	Project use
Travel	15,000	15,000	Regional and national recruitment of founders, including attendance at founder rich conferences; airfare, accommodations, ground transportation, conference fees

Contractual	260,000	280,000	Innova as Formation and Co-Investment Fund managers; recruitment of founders to the funds, attorney fees for fund memorandum, term sheets, and agreements; print, digital, and video platform creation;
Indirect – 10% de minimus \$14,500	14,500		based on modified total direct cost
Grand Total	289,500	295,000	Matching Funds Letter Citation: Epicenter is committing \$295,000 in matching funds and services, which will be committed for the project period of performance, be available as needed, and will not be conditioned or encumbered in any way that precludes its use consistent with EDA requirements for investment assistance. (see attachment)

C. Travel – Total: \$30,000 Travel expenses are overnight travel, primarily to promote the Formation and Co-Investment funds to potential Founders and to present results and impacts to existing investors. Each trip for these purposes assumes: for regional travel, airfare \$500, transportation \$50, hotel \$250/night x 2 nights = \$500, meals \$25 = Total cost per trip \$1075. For national travel such as to the west or east coast capital centers: airfare \$900, hotel \$250/night x 2 nights = \$500, meals \$50/day x 3 days = \$150 Total cost per trip: \$1550. For conferences: conference fee \$750 plus national travel costs (\$1550) = \$2300. Sample costs of travel for President and CEO/ Chief Brand Officer: one regional trip, one national trip and one conference each year : \$1075 + \$1550 + \$2300 = \$4925 x 3 = \$14,775. Sample costs for Innova fund management and recruitment (expense reimbursed by Epicenter): two regional trips, three national trips and one conference in year 1: (2 x \$1075) + (3 x \$1550) + (1 x \$2300) = \$9100; three regional trips, two national trips in year 2: (3 x \$1075) + (2 x \$1550) = \$6325; two regional trips, two national trips in year 3: (2 x \$1075) + (2 x \$1550) = \$5250

D. Contractual – Total \$540,000. Contractual expenses include:

- i. Epicenter contracts with Innova, a venture capital fund manager, for support for capital fund development and management . That contract is \$75,000 annually. Innova will act as the lead partner in designing, building, and fund oversight, as well as engaging with fund participants.
- ii. In order to engage a wide variety of Founders in the fund, Epicenter will contract with area recruiting partners to identify Founders across all industry clusters that the Epicenter Funds support.
- iii. To support recruitment efforts for Founders to the Formation and Co-Investment Funds, Epicenter will contract with digital marketing and video teams to design platforms that will serve as support to “on the ground teams.” The mission of these marketing pieces is to create ease of application to the funds for potential companies, to tell the stories of successful participants in

the funds, and to engage and educate the regional community in the work of the Formation and Co-Investment funds.

iv. To support marketing of events in the recruitment of founders, investors, and customers, Epicenter will contract with cluster leaders to engage and lead this work.

v. To onboard each new company into the Formation and Co-Investment Funds, Baker Donelson will provide legal services on behalf of Epicenter. Legal services are estimated at 60 hours of work per year at a rate of \$250 per hour.

vi. To increase capacity of companies receiving the funds, Epicenter will contract with Business to Business developer(s) to build relationships with industry customers, laying the groundwork for companies as suppliers, and helping negotiate contracts. The business developer(s) will help identify areas of large corporate demand within the targeted industry clusters, and then identify and connect multiple companies as suppliers, thereby assuring vendor capacity and adequate inventory.

STAFFING PLAN DESCRIPTION

Name	SFS Project role	Qualifications/Expertise
President and CEO	Project oversight; hiring, supervising, directing support for companies in the program and interfacing with top investors	CEO of two entrepreneur service organizations; former portfolio fund manager at state-level; extensive fundraising and capital development experience
Chief Brand Officer	Oversight of positioning and promotion of Formation and Co-Investment Funds; collateral material development; social media engagement	Marketing and communications director, public relations experience
Capital Executive in Residence	Capital expert for the ecosystem: identification of capital ready founders matching them to ideal funding. Communicates MRCC capital vision	Banking and small business development; structuring capital deal for businesses

Contractual		
Jan Bouten Innova	Identification and engagement as an equity finance expert; consultations on marketing to startups; recruitment and assessment of Founders;	Assessments of, and Equity investments in high-tech, high growth companies
Attorneys; Accelerator & Business Development Partners; Marketing; Video Teams	Specialty expertise in investment of equity-based funds into startups; recruitment and evaluation of high growth businesses for potential investment by the Funds; creation of market specific recruitment tools	Specialty expertise in legal support of business creation and investment. Strong background in founder recruitment and promotion and business development. Experience with/recognized expertise in marketing and promotion strategies and tools

NOTE

2 CFR 200.414(f) states that an eligible non-Federal entity who elects to charge the 10% *de minimis* rate may only apply the rate to their MTDC. The MTDC as a base removes "distorting items" (e.g. capital expenditures, contracts, and subgrants). Non-Federal entities are allowed to charge the 10% *de minimis* to the first \$25,000 of its subawards.

APPENDIX A REPRESENTATION BY CORPORATIONS REGARDING AN UNPAID DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW

In accordance with current Federal appropriations law, none of the appropriated funds made available by relevant appropriations Acts may be used to issue a financial assistance award to any corporation that:

- was convicted of a felony criminal violation under any Federal law within the preceding 24 months, unless any agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interest of the Government; and/or,
- has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless an agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interest of the Government.

For purposes of the below certification, a corporation is defined as an entity that has filed articles of incorporation in one of the fifty states, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, and the U.S. Virgin Islands. (Note that this includes both for-profit and non-profit organizations.)

The below certification is required for all new financial assistance awards, and for all amendments to existing financial assistance awards, that are made to corporations (as defined above) and that are funded with appropriated funds made available to the Department of Commerce pursuant to relevant appropriations Acts. This certification is further required to the extent that other appropriation Acts contain the same or substantively similar prohibitions against the issuance of financial assistance awards to certain corporations.

Instructions: All recipients that are corporations (as defined above) must complete paragraphs (1) and (2) below, which must be signed below by an authorized representative of the corporation. Recipients that are not corporations are not required to complete this representation.

(1) Vibrant Memphis [insert name of corporation] certifies that it is ☐ is not ☒ (check one) a corporation that was convicted of a felony criminal violation under a Federal law within the 24 months preceding the signature date of this Representation.

(2) Vibrant Memphis [insert name of corporation] certifies that it is ☐ is not ☒ (check one) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

By: 

[Typed name and title of the signing individual] Leslie Smith, President & CEO, Vibrant Memphis

[Typed phone number of the signing individual] (b) (6)

[Typed email address of the signing individual]

Date: 4/2/2019



Mr. Craig Buerstatte

Acting Secretary Office of Innovation and Entrepreneurship

Economic Development Administration

US Department of Commerce

Office of Innovation and Entrepreneurship

1401 Constitution Ave NW, Suite 7104

RE: Vibrant Memphis, Inc DBA Epicenter

Dear Acting Director Buerstatte,

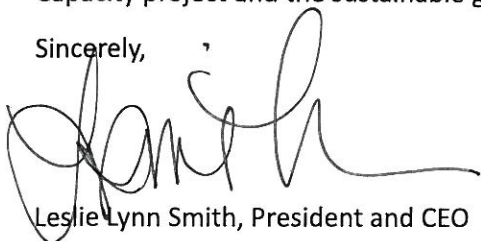
Epicenter is pleased and excited to confirm our commitment to our application for Seed Fund Support under the Regional Innovation Strategies i6 program. In the last few years, the Memphis region has demonstrated enormous success in creating, developing, and supporting new businesses. Research about, and our experience in serving entrepreneurs, have proven that access to capital is the greatest challenge for their emerging and growth businesses. Without financial support and flexible capital, economic growth can be stymied.

As the hub of the Memphis regional entrepreneurial ecosystem, Epicenter has invested significant time and energy in creating a continuum of capital that serves the myriad needs of local entrepreneurs. From small amounts to sophisticated financial instruments, Epicenter is ensuring that small businesses can grow. Constant in our ecosystem work is the engagement and commitment of partner organizations, such as Start Co and Innova.

For our EDA Memphis Regional Capital Capacity project, Epicenter commits \$295,000 as match funding for our request for \$289,500 in Seed Fund Support. Epicenter's match funds are (i) COMMITTED to the project for the period of performance, as outlined in the Department of Commerce Economic Development Administration's grant agreement for the Seed Fund; (ii) AVAILABLE as needed, and (iii) NOT CONDITIONED OR ENCUMBERED in any way that may preclude its use consistent with the requirements of EDA investment assistance.

We look forward to working with EDA to use our Seed Fund Support for the Memphis Region Capital Capacity project and the sustainable growth in our economic region.

Sincerely,



Leslie Lynn Smith, President and CEO

Vibrant Memphis

A Vision for Placing the Big Bet



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Vibrant Memphis

Memphis is a city of contrasts. It is fortunate to have a rich history and culture, a diverse populace, and world-renowned cuisine and music. The city is a logistics hub sitting at a central location in the U.S. on the largest river in the country. It is home to three Fortune 500 companies, world-class medical institutions, excellent educational institutions, and an active and engaged philanthropic community, as well as one of the nation's highest concentrations of non-profits and service organizations.

However, we also have the highest poverty rate in Tennessee – double the national average. Child poverty is at a tragic 47 percent. The unemployment rate is well above the national average and population has been declining for decades, starving the city of much-needed tax revenues. Only 4 percent of our public high school students are prepared to attend college. Minorities and women are especially hard hit. According to Mayor Strickland's recently issued Transition Plan, from 2005-2009, the average black family's household wealth declined by 50 percent to a mere \$5,677. Minorities are 63 percent of the population in Memphis but get only 1 percent of gross receipts, while women receive only 2 percent.

Years of social services and charitable giving have provided a needed safety net but cannot, by themselves, solve the underlying economic problems that lead to these negative outcomes. In fact, Memphis places second only to Salt Lake City in charitable giving among the nation's top 50 metros; we give nearly \$1 billion a year to worthy causes. By simply redirecting 1 percent of that contribution to philanthropic investing, we can fuel sustainable economic empowerment and growth. This strategic investment opportunity was recognized by Memphis business leaders in 2014 when they came together to create EPIcenter – the Entrepreneurship-Powered Innovation Center – to advance entrepreneurship and business creation in the city.

EPIcenter acts as the hub for the Greater Memphis entrepreneurial network and extends support to new and emerging businesses within the region by coordinating and directing existing resources in both the technology-based and place-based economies. The center provides a single point of accountability and an intentional focus on inclusion, and it houses a consistent strategy and voice that is clearly understood by all across the ecosystem.

At EPIcenter, our commitment is to create a vision for a Vibrant Memphis and to catalyze an entrepreneurial movement that intentionally attracts and connects the assets and resources of the region to her entrepreneurial heroes, and to measure, evaluate and celebrate the impact of that work. This will create a just, inclusive and growing economy that accrues to all Memphians.

Over the course of the past decade, a series of critical seed investments have been made by philanthropic, private and public sector partners in segments of the local entrepreneurial network. Those investments have launched programs and capital funds, and have borne early fruit. *In fact, over the past 10 years, the Memphis entrepreneurial network has supported more than 500 entrepreneurs, launched 150 companies and leveraged \$54 million in equity investments with a matched amount of revenues flowing through the portfolio of companies.*

During the referenced timeframe, Memphis has been investing several million dollars a year to develop an entrepreneurial network that supports a growing startup economy. The network boasts one active angel group, two pre-seed venture capital funds (focused on medical devices, and most recently logistics investments), five accelerators, two incubators, and five – soon to be six – co-working spaces.

That early work lays the necessary groundwork for a big bet in Memphis. The current network is a great start, but still underdeveloped and under-resourced compared to similarly situated cities across the country, leaving significant growth unachieved. Community-based entrepreneurship has been largely excluded from the ecosystem efforts to date. Networks that are truly world-class boast dedicated leadership and infrastructure, myriad powerful programs, a comprehensive capital continuum and a culture and community of risk and empowerment that is palpable.

We must make a big bet on Memphis. By placing this big bet, we can leverage the current momentum and create exponential economic impacts that lead to a more vibrant Memphis. A Memphis where entrepreneurs and investors will choose to develop, launch and grow the businesses of the future. **The time to make that investment in Memphis is now.**

We are raising \$100 million to deploy over the next 10 years to help Memphis fulfill its true potential as a just, inclusive and innovative entrepreneurial economy that brings this vision to reality. These dollars will be purposefully deployed into three buckets (\$40 million programs/\$40 million investment capital/\$20 million leadership and infrastructure), which will create a world-class network right here in Memphis, Tennessee. These investments will create an environment for collaboration, leverage, efficiency and exponential impact. These investments will bring more technology, ideas, talent, customers and capital into play.

Experience, best practice and research provide that a significant investment in similarly situated entrepreneurial networks lead to at least a 3.5x impact on results. This means that impact areas typically tracked by these types of initiatives, such as capital invested, ideas and technologies evaluated and brought to market, companies launched, jobs created, talent attracted (and retained), creative pools of capital added across the continuum, venture funds active, firms acquired, inventions licensed, minority participation, community wealth creation and unemployment levels, are all improved by at least three times the pre-big-bet condition.

Other cities have implemented economic development initiatives to drive entrepreneurship to create a healthy, dynamic, inclusive economy and net new jobs. The best practices from these initiatives can be adapted to the Memphis culture and economy. While the vision is admittedly a big one and involves a huge collaborative effort, it can be accomplished, as demonstrated in other locations.

For example, in 2008, while in the midst of a massive national recession and with a local economy in freefall, Detroit decided to chart a path forward with the help of partners and benchmarked data from Pittsburgh, Cleveland, Philadelphia, Baltimore and Oakland. Ten foundations collaborated to raise \$100 million and form the New Economy Initiative (NEI). Since its inception in 2008, the NEI has created more than 1,338 companies, assisting another 6,000 entrepreneurs while creating 14,000 jobs across the region and fostering more than 740 inventions and patent disclosures, as well as leveraged \$600 million into the entrepreneurial ecosystem. To achieve these results, NEI enabled access to capital for each stage of idea and growth, commercialization of new ideas, availability of physical places for ideas to thrive, attraction and retention of talent, and creation of programs to

assist underserved communities to develop and grow business in neighborhoods, among other things.

The president of EPIcenter, Leslie Lynn Smith, came to Memphis from Detroit where she played a leadership role in the NEI body of work as president and CEO of TechTown. Under Smith's leadership, TechTown created and launched novel urban economic development programs, expanded tech-based company creation and launched robust regional entrepreneurship collaborations with great and measurable impact. Leslie also served on the advisory board of the NEI, and executive committees of the Detroit Innovation District and Midtown Detroit Inc., having a direct hand in the design, development, execution and evaluation of the investments. Prior to serving as President and CEO of TechTown, she was director of business acceleration for the Michigan Economic Development Corporation, overseeing the state's \$300 million startup investment portfolio and managing the statewide innovation economy and its network of ecosystem partners, including 15 research universities, incubators, accelerators and the philanthropic and private sectors.

Myriad other initiatives, including but not limited to Pittsburgh's Urban Innovation 21 and Ohio's Jumpstart, Inc., were visited, studied, evaluated and modeled as Detroit built its new economy strategies. Both Pittsburgh and Cleveland saw greater than a 3.5x return on their big bets on entrepreneurship and innovation as a new economy strategy.

Right here in our home state of Tennessee, Nashville is increasingly recognized nationally as a top startup city and has recently experienced the impact of making a big bet on their entrepreneurial network, having put \$100 million in early-stage capital at work through the TNInvestco program, and deploying tens of millions of dollars of funding for entrepreneurial programming across the region. Those investments have fueled the following impacts:

- **500:** Number of people employed by alumni companies of the Nashville Entrepreneur Center, a figure expected to double in the next three to five years
- **500:** Number of trained and certified mentors at the Entrepreneur Center
- **2,500:** Number of new business ideas screened at the center
- **130:** Number of Entrepreneur Center graduate companies
- **\$100 million:** Total revenue of graduate companies
- **\$65 million:** Amount of funding raised by graduate companies
- **48:** Number of venture capital deals in Nashville in 2014, according to *The MoneyTree Report* by PricewaterhouseCoopers and the National Venture Capital Association

It would be remiss to not point out one local example that shows the impact that early-stage capital is already having right here in Memphis: Innova. Founded in late 2007, Innova is an early-stage venture capital fund that focuses on innovation-based startups in the Memphis area. While the fund is focused on investment returns, it does so with an emphasis on the creation of a vibrant, local startup ecosystem.

Over the years, Innova can point to real metrics and results, proving that early-stage capital and programs have significant impact even at small scale:

<i>Capital raised</i>	\$37.5 million
<i>Capital invested to date</i>	\$20 million
<i>Additional capital attracted to portfolio</i>	\$73 million (3.7x)
<i>Portfolio companies</i>	61
<i>Annual revenue</i>	\$38 million
<i>Jobs in portfolio companies</i>	245
<i>Minority and female jobs created</i>	131 (53%)
<i>African-American founders</i>	7x national average
<i>Female founders</i>	2x national average

A Snapshot of Vibrant Memphis

Thoughtful analysis, experience and planning allow us to imagine a thriving post-big-bet entrepreneurial culture and environment in which all Memphians can participate or benefit. We can create an environment that enables the Memphis region to capably serve 1,000 entrepreneurs, who will launch 500 new companies and create 1,500 jobs in the near term and more than 3,000 in the longer term. These companies will span the economic landscape and include high-growth, high-tech enterprises where startup teams are commercializing bleeding-edge discoveries, as well as community-based companies that provide critical products and services and develop wealth in our neighborhoods, collectively creating a sense of vibrancy and place across Memphis. Many firms will stay small, employing fewer than 10 people each. However, some of them will grow into medium-sized and large organizations that create dozens or hundreds of well-paying jobs. This investment in a comprehensive, connected entrepreneurial ecosystem will foster and sustain conditions that enable that growth.

EPIcenter, its partners, and the city champion entrepreneurs and creators. Already connected and at work, we value our culture and heritage, we share openly and we celebrate our success. We provoke and value inclusion. We are a welcoming community that attracts and retains outside talent.

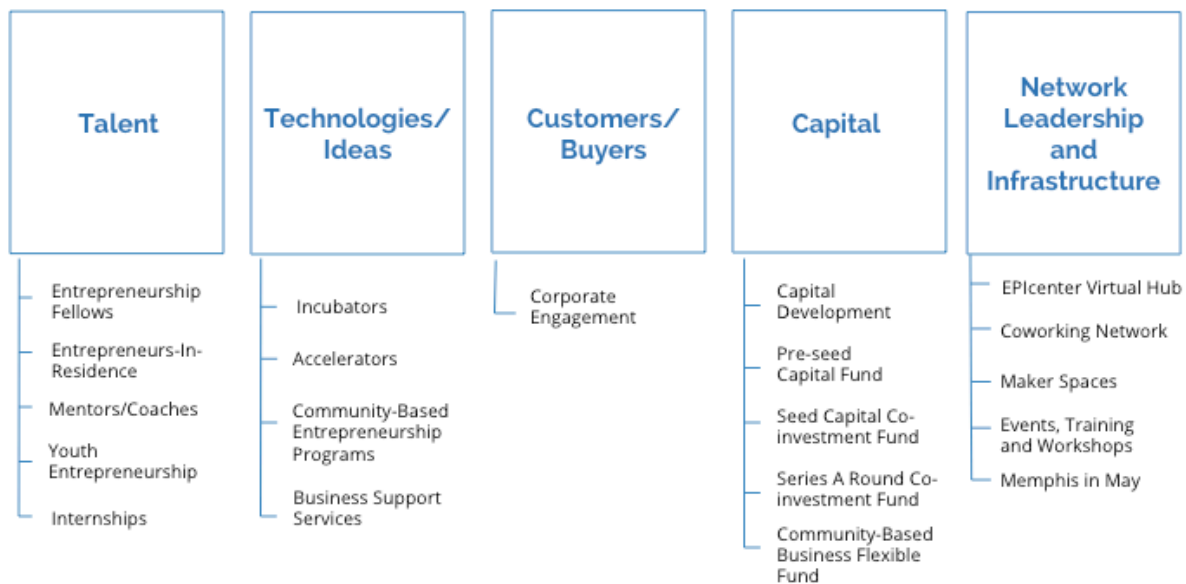
Over the coming decade, we will:

- Integrate intentional inclusion strategies into all of our programs
- Develop an easy access to seed- and early-stage capital for startups and businesses across the spectrum
- Attract out-of-state investment capital
- Develop world-class accelerators and incubators
- Organize programs for education, training and coaching
- Implement a local talent development plan and retention of new incoming talent
- Leverage public spending, funding, investments and planning as a force for growth

The notion of entrepreneurship as an economic alternative to wage employment has already begun to take hold across all the neighborhoods of the city. EPIcenter will strongly invest in initiatives that directly support underserved communities so that minority- and women-owned companies are supported, encouraged and found throughout the region. People with capital, assets and vital resources must seamlessly connect to entrepreneurs with the potential to grow.

Through EPIcenter, Memphis will develop a recognized system to measure and track outcomes and, most importantly, impacts of public and private initiatives. This system will be adopted by organizations in other regions due to its efficiency and robustness.

We will achieve the full potential of this initiative by focusing on the following program priority areas:



A Snapshot of Vibrant Memphis: What We'll Be Saying in 2020

Talent

Successful Memphians that left the region to pursue their dreams elsewhere come back regularly to energize the community, share their experience and drive initiatives. Their involvement is very powerful and helps brand the city as an entrepreneurial destination. Regular hackathons and startup weekends both encourage the development of new ideas and add to the fun and excitement of business development in the city, causing many new people from outside the region to "Choose 901."

The various accelerators and incubators in the city have worked with EPICenter to build a strong network of 500 mentors, executives, and subject-matter experts available to join startup teams or provide advice. These experts are both local and nationwide so that startups can access exactly the knowledge needed at critical times in their growth. Funds are available to defray at least the initial costs of acquiring this knowledge from best-in-class personnel.

Workforce initiatives are tightly tied to the needs (both current and future) of the jobs providers and entrepreneurial opportunities within the region. Entrepreneurial training is provided to underemployed populations and underserved communities where those acquired skills, paired with critical resources, help launch businesses regularly. Youth entrepreneurship programs across the city ensure that there is widespread exposure to a broad range of possible employment options beyond the service industry. Although preparation for the "sharing economy" is an important part of this effort, the trend to focus on jobs that can support a living wage and benefits is well under way.

Technologies/Ideas

A series of investments have been made in translational research, which has expanded the quality and quantity of deal flow within the region. Local researchers have access to a pool of funds that will move their discoveries closer to market. Entrepreneurs-in-residence deployed locally have been mining and commercializing technologies that respond to industry needs and meet the market head-on, reversing a past trend of arbitrarily pushing solutions into market in search of a problem. Innovative corporations are funding new research and working closely with universities and medical systems to bring internal research faster and more effectively to market. In fact, Memphis has developed a reputation as one of the few places in the country where corporate and institutional researchers meet regularly to share ideas and provide expert assistance. Both numbers of patent applications and commercialized ideas from Memphis sources have tripled since 2015.

To help overcome academic resistance to commercialization of ideas developed in the city's institutions, informal forums of successful scientist-entrepreneurs have grown up to help academic and institutional researchers better understand the professional and personal advantages of moving lab research into the marketplace.

Memphis' core industrial assets are evident in the focus areas of medical device, information technology, agriculture, logistics, food and music. The city is now viewed throughout at least the eastern half of the country as a hub for logistics technologies, with a specialty in biologistics.

In 2020, Memphis also boasts a comprehensive assortment of programs, capital and talent that creates a sense of space and helps creators and inventors bring their ideas to life utilizing new business models to solve our most pervasive problems. The city is viewed as a friendly and welcoming environment for creatives, and they are well-integrated into the startup ecosystem, both as entrepreneurs and as service providers in design thinking, modern marketing and translation of the many technologies in creative industries for use in other fields.

Customers/Buyers

The traditional emphasis by entrepreneurs on "customers" has expanded to encompass the broader concept of "buyers." In recognition of the many possible outcomes for startup businesses, potential licensors of technology, possible acquirers and private and public stakeholders are now given the same focused treatment as direct buyers of products and services.

Private sector buyers have stepped to the plate to inform technology development directed to meet market needs, test new discoveries and provide access to facilities and experts to support development. Through workshops and corporate forums coordinated through the EPIcenter network, startups and other small businesses are well-versed in the requirements of buyer organizations, and at least one-third of local large companies and institutions have active programs to buy products and services from startup companies. When asked about critical changes in the ecosystem, entrepreneurs regularly cite the ease of access to corporate and institutional buyers.

With strong input from buyer organizations, the licensing process for new technologies has been streamlined and is no longer an impediment to deal flow.

Through its work with the Chairman's Circle, the EPICenter network has fundamentally changed local buying behaviors and has provided critical training and capital to small- and medium-sized minority- and women-owned businesses, such that those same businesses are now routinely awarded critical contracts in the Memphis region and beyond.

Capital

The city now has venture and impact investment funds exceeding \$150 million in applied capital and a similar amount in available capital. Some of these funds were established locally, but the vibrant startup economy has attracted a number of national venture firms who maintain an active Memphis presence. When quoted in the local and national press about "Why Memphis?" these firms consistently cite: the diverse blend of investment opportunities in Memphis, ranging from provocative social enterprise firms, to local place-based small businesses extraordinarily prepared for the investment by the network, alongside high-quality, high-tech startups in the business-to-business (B2B) information technology and software, medical devices, logistics and agricultural sectors; the availability of talent to staff invested companies; and the supportive infrastructure to get their nascent businesses past market and regulatory hurdles. Series A and B investment rounds are common, and \$5-10 million dollar deals appear in the press at least a couple of times each year.

The historical pattern of funding by individual investors has been supplemented by a trend of smaller investors joining together in diverse angel organizations with larger funds available to support much-needed early-stage money as a bridge to venture capital.

The city features a variety of demo days annually. They are all uniquely designed to showcase the rich texture and variety of emerging companies in Memphis. They are held in common and uncommon places and feature a diverse representation of founders and ideas. Within the city, there are several locations known as the places where entrepreneurs and investors "collide" and deals get done. The Memphis in May International Festival has become a major attraction for startups and venture and angel investors nationwide.¹

¹ See Appendix 1 for a detailed summary of planned program prototypes

The Impact of the Big Bet

EPIcenter has analyzed the expected results of the planned programs and investments associated with this big bet on entrepreneurship in two ways. First, we looked at standard measures of economic development through entrepreneurship support (companies, jobs, capital). We also included an additional measure – capital formation. In addition to economic impact metrics, EPIcenter also developed a Return on Investment (ROI) calculation to show benefits in taxes and savings in social costs for taxpayers.

Economic Impact

Summary of projected economic impact of the programs:

1. **Companies created** – The established goal of EPIcenter is to help create 500 new companies over the next 7-10 years. In the past year, 50 new companies have been created in the network.
2. **Jobs created** – Based on several data points, including Bureau of Labor Statistics for Memphis MSA companies, and prior experience with similar programs in Detroit, Cleveland and other cities, 500 companies created should result in approximately 3,000 new jobs in a 10-year period.
3. **Capital formation** – We expect even stronger impact if investment capital were deployed with greater intentionality. The proposed \$35 million investment capital for EPIcenter would be deployed across 200 startups and attract \$130 million or more in capital from other investors over Series A and Series B rounds. The capital would be deployed to get more quality companies started in Memphis at the accelerator level and provide subsequent incentives to angel investors and Series A investors to put capital behind the strongest companies. We modeled a 10-year investment horizon, supporting 20 accelerator companies per year at \$50,000 each. From these 20 companies started, we anticipate that only one in three makes it past the acceleration phase, and of those “survivors,” only 50 percent manage to raise a multi-million Series A. EPIcenter would invest up to \$500,000 in each company that matures to a Series A and share 50 percent of the investment profits with the angel investors and Series A investors as an incentive to invest in Memphis startups.
4. **Angel Networks and Venture Capital** - A capital professional will be engaged with the goal to create at least three new angel investment clubs in Memphis and attract at least three established venture capital firms to establish a solid presence in Memphis, as well as launch a community-based microloan fund to support business formation and growth in Memphis-area urban and rural communities.

Extrapolating from Innova’s actual metrics, the expected results of the capital programs would be as follows:

<i>EPIcenter capital invested</i>	\$35 million
<i>Additional capital attracted to portfolio</i>	\$130 million (3.7x)
<i>Portfolio companies</i>	200
<i>Annual revenue</i>	\$125 million
<i>Jobs in portfolio companies</i>	800
<i>Minority and female jobs created</i>	424 (53%)
<i>African-American founders</i>	>7x national average
<i>Female founders</i>	>2x national average

These expected results reflect investments from EPIcenter over 10 years and the corresponding returns. The “evergreen” nature of the fund would allow this impact to continue beyond the initial 10 years of investments by re-investing investment returns. In fact, the impact shown is conservative, as the success of the model will reduce the need for incentives to attract Series A VCs, allowing EPIcenter to re-invest more of the returns in growth.

Return on Investment

The following describes a methodology for calculation of an estimated Return on Investment (ROI) for the programs described in this request. While there are many elements that could be included in such a calculation, including jobs, improvement in quality of life, reduction of the number of school dropouts, impact on incarceration rates, and many others, most of these are subjective and difficult to determine actual values. However, job creation impacts the economy in reasonably measurable ways using tax receipts and savings from social assistance programs. Based on an assumption that 3,000 jobs will be created by these programs and investments, EPIcenter has calculated an ROI of approximately \$7.0 million per year or \$70 million over 10 years. The timing assumption for these jobs is that the full number of jobs is reached in five years, at which point the ROI is \$7.0 million annually for the following 10 years. It is recognized that individual figures can be challenged, but we have attempted to be conservative in our estimates so that pluses and minuses will ultimately balance.²

In addition, as indicated above, capital invested in 200 new companies is expected to generate \$125 million in revenue, much of which will circulate through the Memphis economy with a multiplier effect. Additional companies created will increase this revenue effect.

² See Appendix 2 for key assumptions for Return on Investment

Appendix 1

Execution Plan

Execution Plan

It is important that we put our focus on building the necessary infrastructure for EPIcenter to support the growth of existing and new companies in the first couple of years. Below, we will further describe the specific programs that we will execute and grow over the first three years, as well as the expected outcomes for each program through the first three years.

In order to foster a strong entrepreneurial network and attract additional outside resources, EPIcenter is committed to: (1) delivering programs that broadly serve the entire network, such as fellows and EIRs, angel network matching funds and infrastructure, first customer advocacy and ideation training; (2) piloting programs that fill demonstrated gaps in the ecosystem and ultimately spin into the network after EPIcenter tests and proves their effectiveness; and (3) funding or scaling established powerful programs to reach more Memphians.

Talent Programs

Entrepreneurship Fellows Program

The Entrepreneurship Fellows Program is designed to develop entrepreneurial talent in Memphis and the surrounding region. The fellows will primarily support startup companies in subject matter areas that suit their skills. These startups will be a roughly equal mix of tech-based companies and community businesses. Individual fellows will be managed by EPIcenter and its partners, but made available to support startups throughout the network. For example, a fellow may have particular skills in development and use of social media. That individual will be deployed on a project basis to startups needing that skill. As a result, fellows will gain exposure to multiple startups, and startups will receive expertise in different areas on an as-needed basis.

Fellows will be selected through a rigorous application and interview process for a two-year assignment. In general, fellows will be recent college graduates and have 0-3 years of work experience. Qualifications include skills with a focus on marketing, technology, research and data, finance, operations and others suitable for startup businesses. A desire or willingness to remain in the area after participation in the program will also be important. Initial screening of applications will be conducted by EPIcenter and partner organizations, with fellows placed after interviews and selection by individual organizations. In addition to work in the hosting organizations, program activities will include educational opportunities, cohort-building meetings and outings to explore the many great opportunities that Memphis offers.

Metrics

- Year 1: Five fellows
- Years 2-3: Eight fellows; six companies served by each fellow over the two-year assignment

Entrepreneur-in-Residence Program

The Entrepreneur in Residence (EIR) Program is designed to attract seasoned entrepreneurs who will enter the network in one of three key areas:

1. **Those looking to mine technologies from the city's research institutions for the purpose of turning those technologies into startup businesses.** Currently, much of the institutional technology is available for acquisition but is often locked up in those institutions or, at best, pushed out to potential licensees. In this segment, EIRs will catalog available technologies and facilitate discussions about the technologies with researchers and inventors. Depending on the technology and the wishes of the researcher, the EIR may simply work with the relevant Technology Transfer Office to acquire the technology or, alternatively, work with the researcher to build a strong team for the business. Over time, the technology database will become more robust and more attractive to serial entrepreneurs looking for the next opportunity. In this segment, assignments will last an average of 18-24 months to allow adequate time for mining, commercialization road-mapping, and business-building.
2. **Those with subject matter expertise who are looking to connect to multiple portfolio companies and move them to critical growth and funding milestones.** Currently, Memphis lacks a bench of serial entrepreneurs equipped to move startup companies beyond series A funding, thus limiting the likelihood of series B investments, and ultimate exits within the portfolio. In this segment, some assignments will be 12 months or less, as EIRs embed full-time with a portfolio company at the time of a funding event. Other assignments will be longer term (2 years), as EIRs act effectively as part-time CEOs to guide startups through their milestones.
3. **High-potential founders of failed or failing startup companies, ideally those venture-backed at some level (e.g., accelerator alumni), which are imperative to retain within the ecosystem.** Statistically an entrepreneur endures 2.7 failures prior to one solid and sustainable business. However, as their first startup fails, entrepreneurs often find a steady paycheck outside of the ecosystem and never return. This would be a highly selective part-time position (lasting 12-24 months), where 1-2 founders per year identified as having high potential (but also at high risk for leaving the ecosystem) are invited to apply and then vetted by an evaluating committee. It is considered a cohort program, where in addition to EIR responsibilities, these individuals will be provided development activities and mentors. Potential outcomes include: 1) reignite a past startup, 2) join another startup team, or 3) launch a new startup.

Metrics

- Two EIRs for mining technologies in each year (#1 above)
- Two to four EIRs each year to provide support to grow companies (#2 above)
- One past founder (#3 above)
- In first three years, four technologies mined and turned into companies, 10-15 companies/teams supported

Mentors/Coaches Support

To advance the startups in the Memphis ecosystem, we need many mentors/coaches with a diversity of skills, experiences and demographics that match our city and our startups' needs. While most mentors and coaches for startup businesses provide their help as volunteers, recognition of their efforts is important to keep them engaged in the program. Since it is not possible to pay them at market rates, the recognition can take other forms, such as events with opportunities to network with each other, business leaders and startup founders. EPIcenter plans to hold 2-3 such events each year. In addition, EPIcenter plans to purchase gift certificates and discount opportunities from local businesses and provide them to the mentors and coaches in recognition of their contributions. An important element of this program will be the inclusion of community businesses as well as more established businesses. The result will be additional sales for the businesses and the opportunity for the mentors to visit new and interesting establishments.

Metrics

- Year 1: 45-50 active mentors/coaches
- Year 2: 50-75 active mentors/coaches
- Year 3: 75-100 active mentors/coaches

Youth Entrepreneurship Program

Memphis' educational results, particularly in the public schools, continue to be unsatisfactory. Graduation rates are below national averages, and college readiness is low. The additional educational engagement opportunities and critical thinking skills developed through entrepreneurship training can improve school performance. The Youth Entrepreneurship Program involves going into city schools with a basic after-school curriculum for learning about entrepreneurship as an alternative to job-seeking. It includes workshops and one-on-one sessions to increase and measure interest levels, guided exploration of business ideas, basic entrepreneurship practices and principles, outside speakers and pitch opportunities. In 2016, the program provided workshops for over 400 students and individual programming for 18 students ("graduates") with developed business ideas. In addition, 10 graduates of the program received multiple National Merit Scholarship awards. The program will be run by LITE Memphis, an EPIcenter partner.

Metrics

- Year 1: 500 students in workshops, 20 program graduates
- Year 2: 500 students in workshops, 30 program graduates
- Year 3: 500 students in workshops, 40-50 graduates

Internships

EPIcenter plans to develop a robust internship program for post-high-school students. Internships are already frequently used by both nonprofits and for-profit partners as a way to expose young persons to the entrepreneurial support environment and for the organizations to benefit from seasonal or peak demand work. The program contemplates three “shifts” of 8 college-age interns. The first “shift” would be 15 weeks between January and April. During that time, 8 interns would work part-time (approx. 300 hours each). During the summer, 8 interns are expected to work full-time for 400 hours (total 3,200 hours). During the third “shift,” from September to December, interns will again be working part-time for 15 weeks. Thus, there will always be 8 interns available to support partners in the ecosystem. It is estimated that approximately 20 individuals per year will fill these short-term positions, gaining valuable job experience and knowledge of the entrepreneurial world.

Metrics

- Eight intern positions per year, held by 20 individuals in the course of the year

Technology/Idea Programs

Incubators

Memphis boasts a strong incubator and accelerator network, which includes EPIcenter network partners Cowork Memphis, EPIcenter Germantown, Crews Center, Memphis Bioworks, Emerge and Start Co. As an entrepreneurial hub, it is not the intent for EPIcenter to directly run a large number of accelerators or incubators. Instead, EPIcenter will take advantage of existing accelerators and incubators in the city to do this work, and programs outlined in this proposal will strengthen and expand the capacity and impact of these partners.

Along the continuum of care, there are spaces created to serve entrepreneurs in a variety of industries and at myriad stages of growth. For instance, EPIcenter Germantown and Cowork Memphis host creative early-stage entrepreneurs who seek flexibility, community and resources, while Emerge and Memphis Bioworks serve more mature life science- and logistics-oriented companies in the portfolio. Also housed within the network are two experienced investment firms (Innova and MB Venture Partners) that provide seed capital for portfolio companies.

Metrics:

Year 1: Six active incubator spaces, 30 incubating companies.

Year 2: Eight active incubator spaces, 50 incubating companies.

Year 3: Eight active incubator spaces, 75 incubating companies.

Accelerators

High-Growth Companies

Accelerators for high-growth companies are 100-day boot-camp-style programs that are designed to help entrepreneurs vet their ideas and refine their business models so that they can build the right products and services for their customers. The programs run as full-time cohorts to enhance the collaboration and synergies among the entrepreneurs. During the programs, we deliver a rigorous startup curriculum and surround the teams with mentors, consultants, service providers, customers and investors.

In 2016, EPIcenter convened a collaborative “Summer of Acceleration,” during which six industry-specific accelerators are supported by a Start Co.’s core accelerator programming, and accelerator operators managed industry-specific programming while retaining organizational brands.

- **Seed Hatchery** launches promising B2B startups, while providing access to a network of potential first customers.
- **Sky High** launches social enterprises using technology to build solutions around education, poverty, crime, health care and urban innovation.
- **Upstart** empowers gender-diverse teams and provides the resources they need to build high-tech, high-growth businesses.
- **ZeroTo510 Medical Device Accelerator** is a nationally ranked, first-in-its-kind entrepreneurial accelerator program that focuses on leveraging key regional strengths of the Memphis area: biomedical research and medical device manufacturing.
- **Logistics Innovation Accelerator**, sponsored by FedEx, is focused on logistics technology companies.
- **Start MMT** is a high-growth music startup accelerator platform that attracts entrepreneurs from around the world to build innovative new business models to transform the music business.

A new accelerator focused on **agricultural technology and innovation** is currently in operation by Memphis Bioworks and Start Co.

In addition to these boot camp-style accelerators, EPIcenter plans to work with partners to develop additional accelerator programs that are more customized to fit the stage of accelerated companies. These programs will make extensive use of mentors and Executives-in-Residence to guide startups to customer opportunities and investment funding.

Metrics

- Year 1: 20 companies in boot camp accelerators; six companies in customized accelerator programs
- Year 2: 22 companies in boot camp accelerators; 12 companies in customized accelerator programs
- Year 3: 25 companies in boot camp accelerators; 20 companies in customized accelerator programs

Community-Based Businesses

In addition to accelerators for primarily tech-based ideas/companies, EPIcenter will establish a series of accelerator programs for retail and other community-based businesses. Initially, these will be based on the Co.Starters curriculum that is widely used in Tennessee and the region. Co.Starters is a 9-week, facilitated program that takes entrepreneurs from idea to business plan. Participants will include brick-and-mortar retail product and service businesses, personal service businesses, and light manufacturing. EPIcenter and its partners will recruit sponsors to provide working capital grants/loans, rent subsidies and other support to the most market-ready participants.

Metrics

- Year 1: 20 business teams completing Co.Starters
- Year 2: 50 business teams completing Co.Starters
- Year 3: 75 business teams completing Co.Starters

University Student Accelerator

The university student accelerator, ImagineU, is a combined entrepreneurship acceleration and talent development program. It is designed to recruit and groom talent for tech entrepreneurship opportunities and convert innovative technologies into Memphis-based startups. The program will cover: (1) searching for a business model; (2) finding the right product/market fit; (3) acquisition of necessary resources; (4) obtaining first customers; (5) developing a funding strategy; and (6) structure. Enrolled teams will be given extensive assignments in preparation for weekly workshops. They also will be directed to “get out of the building” and talk to potential customers to test their various hypotheses.

Start Co. and the Crews Center will deliver the curriculum locally, which is augmented with guest speakers, business coaches and mentors, as teams attempt to validate their value proposition and business models. Other components include meet-and-greets with experienced entrepreneurs and tech startup founders. The program will culminate in a showcase day, giving participants the opportunity to make a pitch to potential strategic partners, advisers and investors. University participants will include the University of Memphis, Rhodes College, Christian Brothers University, LeMoyne-Owen College, Memphis College of Art, and Visible Music College. Other educational institutions will be invited as well.

The program is designed as an 8- to 10-week full-time summer program for teams of 2-3 college students. Each student will receive a stipend of \$3,000 to defray opportunity costs. A similar program in Detroit in 2014 (its third program year) attracted 25 students from nine different universities. In 2016, a pilot version of this program was run for 11 student entrepreneurs in Memphis with the participation of all of the colleges mentioned above.

Metrics

- Year 1: 12 student entrepreneurs from at least five different colleges
- Year 2: 15 student entrepreneurs from at least six colleges
- Year 3: 20 student entrepreneurs from at least eight colleges, with at least one from outside Memphis. Also, at least three graduates of program either continuing with their business ideas or working as startup team members.

Community-Based Entrepreneurship Programs

Entrepreneurship-related economic development is mostly absent in local communities. However, in order to achieve EPIcenter's goals of 500 startups and 1,000 entrepreneurial experiences, it will be essential to take advantage of the significant entrepreneurial base in those underserved communities.

EPIcenter plans a program that will bring to local urban and rural communities the same emphasis on new company development, capital and talent attraction, and entrepreneurship education that it applies to technology-based enterprises. In addition, each community served will be home to an EPIcenter satellite office staffed by a community liaison from that neighborhood, providing resources for local businesses, collaboration with community organizations already doing great work in the neighborhoods, and outreach for the program. EPIcenter's direct involvement in a community is planned as a 4-year engagement as community capacity is built to take over the programming and follow-up.

EPIcenter will work with existing community organizations within the city and in rural areas to assess local needs and gaps and gather data as they relate to economic development through startup activity. Specific activities will be based on those needs and may include entrepreneurial training programs, financial literacy, banking readiness, conversion to the formal economy and support for minority business. EPIcenter also plans a series of business plan competitions for both startups and existing neighborhood businesses to help build a pipeline of entrepreneurs who will then be able to avail themselves of other support activities and services offered by EPIcenter and its partners. Winners of these competitions will receive a package of financial and business support to move their business through obstacles and into growth. For example, a common request from small businesses in the city is assistance with lease negotiation. Legal support for lease negotiation would be included in these packages.

Metrics

- Year 1: Full programming in two city neighborhoods. Three companies started, 15 existing companies supported.
- Year 2: Full programming in four city neighborhoods. Eight companies started, 35 existing companies supported.
- Year 3: Full programming in six city neighborhoods. Twenty companies started, 75 existing companies supported. *(All metrics cumulative.)*

Business Support Services

In the early stages of its life cycle, a startup business often needs just a relatively small amount of money to achieve a milestone or to surmount an obstacle. For example, money may be needed to obtain a prototype or to hire a website designer. That money is very difficult to come by for many businesses.

Memphis has several Community Development Financial Institutions (CDFIs) which are available to provide funding for local small businesses. However, strict loan underwriting requirements often prevent neighborhood small businesses, particularly startups, from qualifying for these loans, and due to the risk profile of applicants, interest rates tend to be high. In addition, nascent small businesses are often unable to service debt obligations, regardless of size.

EPIcenter would help to bridge this gap by providing targeted small grants (\$1,000 - \$15,000) to allow small businesses, both tech-based and community-based, to acquire needed equipment or services. These grants would not involve equity or any other sort of investment in the company but would generally come with requirements that the business owners attend certain training activities, business consulting sessions, or workshops to improve their likelihood of success. Grants would be made through an application process, juried by community organizations (for community-based businesses), accelerator and incubator partners (for tech-based businesses), CDFIs, and other partners. Criteria for the grants may include importance of the business to the community or the city, probability of business success, willingness to participate in business support activities, likelihood of follow-on funding, etc.

Metrics

- Year 1: \$100,000 granted to 10-20 companies, at least \$20,000 for community-based businesses.
- Year 2: \$100,000 granted to 10-20 companies, at least \$35,000 for community-based businesses.
- Year 3: \$100,000 granted to 10-20 companies, at least \$50,000 for community-based businesses.

Customer/Buyer Programs

Corporate Engagement Program

The Corporate Engagement Program is designed to bridge a major gap in the entrepreneurial ecosystem. Interviews with entrepreneurs consistently identify the difficulty of small businesses, especially minority and women-owned businesses (MWBs), gaining access to corporate procurement departments as a challenge to business launch and growth.

Startup companies are missing the opportunity to receive critical customer discovery from practitioners when denied access to end-users, while private sector partners miss opportunities to review and assess potentially disruptive innovations in advance of their movement to market. The EPIcenter Corporate Engagement program will seek to overcome those issues by bringing together both sides. Workshops, forums (such as the Buy Local Initiative of the Medical District Collaborative), and targeted interactions will give startup companies essential feedback and insights about emerging industry needs, as well as the specific requirements for customer acquisition.

The program includes funding for two full-time employees or contractors (one for technology-based businesses, one for community-based businesses) to manage the program, organize boot-camp-like training activities, determine corporate requirements and supply needs across a broad range of industries, screen potential suppliers and facilitate an annual meet-up where corporations looking for suppliers are connected to small companies with the ability to supply. In late 2016, EPIcenter and its partners at U3 Advisors and the anchor institutions of the Medical District are running the Operation Opportunity Challenge. In the Challenge, the anchor institutions identify significant unmet operational needs and then pitch those needs to entrepreneurs and existing small local businesses. The businesses develop potential solutions to the identified needs on a competitive, judged basis. Winners receive significant cash capital infusions and customized services. Other activities such as pitch training with procurement officers as coaches and judges will be included.

Metrics

- Year 1: Five bid opportunities for small businesses offered by major Memphis institutions.
- Year 2: Between five and 10 bid opportunities offered by major Memphis institutions, with at least two contracts actually awarded to small businesses, at least one of which is a M/WBE.
- Year 3: Three bid opportunities offered by large Memphis-based corporations. Over three years, a total of 20 small businesses introduced to the procurement departments of local institutions and corporations.

Capital Programs

Capital Development

Memphis currently has a sparse offering of capital across the startup economy. EPIcenter will pilot funding programs that begin to fill the gaps in the capital continuum. For instance, Memphis lacks an active angel network and functional small dollar microloan funds. The earliest work will address these two critical gaps: one which fundamentally serves the tech economy and the other situated to serve community-based entrepreneurial efforts.

Large individual investors are active but tend to fund nonprofits. Venture capital is very modest in the city. Without an angel network, funding for early-stage companies is very difficult. The program contemplates helping to form angel-investing clubs. An investment professional will work to identify potential investors, organize events to bring them together, set up training for due diligence skills and assist in setting up the clubs. Funding is also provided for due diligence training, and legal and accounting fees to form the clubs, as well as promotion. Setting up the beginnings of a robust angel network should lead investors forming their own groups with only modest support from EPIcenter. In addition, EPIcenter will have a co-investment fund that will be able to provide profit-share incentives to activate the angel community (further described below).

Small to large banks, the U.S. Small Business Administration and myriad CDFIs (Community Development Finance Institutions) are seated to fund startups and small businesses but miss the mark when it comes to non-tech early-stage startups in community-based entrepreneurial networks. Microloans are a creative, flexible and affordable way to move critical startup capital into these businesses. EPIcenter will pilot a microloan program in partnership with network providers and spin it into the most appropriate organization once the model is fully developed.

Pre-seed Capital Fund

Pre-seed investments are typically \$25K-\$100K investments new startups receive when participating in a startup accelerator. The company is typically still at a very raw concept stage. It's anticipated that the EPIcenter fund would make this investment into companies that have been selected to participate in one of the accelerator programs. To ensure "fundable" concepts are selected, EPIcenter will work with industry experts, successful entrepreneurs and VCs to evaluate applicants.

Seed Capital Co-investment Fund

Seed-stage investments are typically made by non-institutional investors such as individual angels, or angel groups. At this stage the company usually will have a well-defined business plan and an early-stage prototype or minimal viable product (MVP). Investments typically range from \$250K-\$1M. The EPIcenter fund would participate in this seed round, providing a 1:3 match up to \$75K per company. To incentivize angel investors to invest in the companies, EPIcenter would share 50 percent of its investment profits with the angel investors.

Series A Round Co-investment Fund

Series A investments are typically the first round in which VC firms participate. The company will typically have an advanced prototype with some early market traction with pilot customers. The investments typically range from \$1-3 million. The EPIcenter fund would participate in this seed round, providing a 1:3 match up to \$500K per company in this round. To incentivize VCs to invest in the companies, EPIcenter would share 50 percent of its investment profits with the investors.

Community-Based Business Flexible Fund

Memphis has several CDFIs which are available to provide funding for local small businesses. However, strict loan underwriting requirements often prevent neighborhood small businesses, particularly startups, from qualifying for these loans, and due to the risk profile of applicants, interest rates are high. In addition, nascent small businesses are often unable to service debt obligations. EPIcenter would provide a mix of microloan funding, targeted small grants to allow businesses to acquire needed equipment or services, and other financing alternatives specifically designed to address the gaps left by CDFIs.

Metrics:

- Year 1: One new angel investment club formed, with two startup presentation events. \$3 million deployed in capital programs.
- Year 2: One additional angel investment club formed with six startup presentation events, at least one angel investment in a Memphis company. \$4 million deployed in capital programs.
- Year 3: Three to five angel investments in Memphis companies. \$5 million deployed in capital programs.

Network Leadership and Infrastructure

EPIcenter Virtual Hub

There is an absence of a process in Memphis to identify and obtain the needed resources for launching a business. An environmental survey reveals that the resources necessary to launch and maintain a small business are fundamentally hidden in plain sight. The top 10 common challenges faced by emerging small business owners are: money, time, lack of knowledge, information overload, lack of direction or planning, trying to do it alone, innovation, marketing, customer acquisition and under-developed management skills. The EPIcenter Virtual Hub will be the system that addresses these challenges and removes the barriers to starting a business with a comprehensive, user-friendly, accurate, integrated and functioning online interface that streamlines and simplifies the process of starting a business and incorporates wrap-around expert support.

Developed in collaboration with city and county government, local support service providers, startup and business experts and the community at large, EPIcenter and its partner the City of Memphis will build a wrap-around experience for entrepreneurs that will have an online expression of support. The online hub will be coupled with live, in-person interactions that meet people where they are in their entrepreneurial journey, delivered by a supportive and integrated network of experts that demystifies the process of launching a small business in Memphis. Support will be available in multiple settings, and languages (for laypersons), using technology to create efficiencies and enhance access.

Coworking Network

Experience in many other cities clearly shows that the existence of coworking spaces is critical to developing a strong startup economy. These spaces provide the chance to focus on business ideas in a professional environment, while taking advantage of the knowledge and prior experience of the other members and the availability of business services. Typically, coworking spaces are open environments conducive to discussions and meetings. Events, speaker series and office hours by experts are often offered. Currently, there are six coworking spaces in Memphis, and EPIcenter expects that at least one additional space will be added. Currently, two of the spaces share management resources, tracking software and promotion.

Metrics

- Year 1: 100 Coworking memberships city-wide
- Year 2: 200 memberships
- Year 3: 300 memberships

Maker Spaces

A maker space is a physical location where people gather to share resources and knowledge, work on projects, network, and build. They provide tools and space in a community environment – a library, community center, private organization, or campus. Sometimes these spaces are also referred to as hacker spaces or fabrication labs and are creative, do-it-yourself spaces where people can gather to create, invent, and learn. They often have 3D printers, routers, drill presses, lathes, mills, grinders, software, electronics, craft and hardware supplies and tools, and more.

Events, Training and Workshops

EPIcenter is committed to the creation of a vibrant, active and connected startup ecosystem. Central to that movement are events, trainings and workshops that call together Memphians of all walks of life to consider an entrepreneurial journey. Events and workshops will focus on community, networking, subject matter training, connection to critical resources and expansion of skills and capacity across the landscape.

For instance, commonly hosted events with tech partners will include things like hackathons, which are short-term brainstorming sessions designed to bring a large number of people together to solve identified problems, and startup weekends, which bring together many stakeholders, including members of the general public, to brainstorm ideas for business formation. Startup weekends differ from hackathons in several ways, but the signature difference is the focus on taking ideas from inception to actual business creation. The process takes place over two days and is gently facilitated. Startup weekends, along with hackathons, are hallmarks of vibrant tech entrepreneurial communities and build on the energy created as participants gather.

Community-based programming will include startup-in-a-day sessions, Co.Starter workshops, mentor mix and mingles, and financial literacy training.

Metrics

- Year 1: 12 entrepreneurial workshops conducted by EPIcenter.
- Year 2: 18 entrepreneurial workshops conducted by EPIcenter and partners.
- Year 3: 18 entrepreneurial workshops conducted by EPIcenter and partners.

Memphis in May Festival

The international reputation and reach of the Memphis in May Festival provide an outstanding opportunity to bring venture capital, new startups and talent together around an authentic and dynamic experience – the type of experience in which many investors and entrepreneurial influencers proactively seek to engage. EPIcenter and several of its partners came together to put on the 2016 event, branded Start-Q. The intention is to have entrepreneurship activities, such as pitch competitions and meet-ups, coincide with festival week. Partners reach out to their networks nationally to invite investors and startups from outside the city to participate. For example, with several outside venture capital and angel investors present, a startup pitch competition may ultimately attract accelerator network graduates and companies from other areas of the nation. It is the intention of the partners to make Memphis in May a “can’t-miss” event for startups, talent and capital.

Appendix 2

Return on Investment Key Assumptions

Return on Investment Key Assumptions

Key assumptions are (noted by number in table below):

1. Average wage \$20/hr. - Estimates of average wage rates vary considerably. However, according to the U.S. Bureau of Labor Statistics (May 2014), the median hourly wage for all occupations in the Memphis MSA was \$15.27. This figure results from the relatively high number of lower wage persons in the service industry. However, the same report indicates a median wage of \$35.16 for computer occupations and a variety of other rates for other occupations. EPIcenter assumed that 800 of the 3,000 jobs would be technology jobs at \$30/hr. average, 1,600 would be non-technology jobs in product and professional service businesses at \$20/hr., and 600 in community-based service businesses at \$12/hr. The total average rate is then \$20/hr., or \$40,000 annually.
2. New income resulting from job openings will be spent at a rate of 70 percent. It is assumed that this amount will be taxable spending because housing costs, the largest non-taxable amounts, are already included in current spending.
3. The average current spending of new hires is \$1,090 per month, which is the Substantial Gainful Activity threshold for Supplemental Social Income (SSI). This figure was chosen as a threshold between employed and unemployed. Certainly, persons currently employed will fill many of the newly created jobs. However, their moving to the new jobs will allow hiring into the jobs they leave. The effect of this job movement should result in about 3,000 net openings for the currently unemployed.
4. Social assistance recipients will be hired in the same proportion as their makeup in the Tennessee population. For example, of 3,000 new hires, 441 (14.7%) will be SNAP recipients.
5. Taxes generated are based on the "New Annual Taxable Spend" amount, that is, the new income brought into the economy above current spending. Social savings are savings of the full current spend on those items for those hired.

TABLE 1	New Jobs	Median Income (1)	Total Income	Spend Rate (2)	Total Spend
New Spending	3000	\$40,000	\$120,000,000	0.7	\$84,000,000
Less: Total Current Spend (3000 @ \$1,090 /month) (3)					<u>(\$39,240,000)</u>
New Annual Taxable Spend					<u>\$44,760,000</u>

TABLE 2

Social Program	% of pop	Current Recip (4)	Annual Payment	Social Cost
SNAP	14.70%	441	\$1,596	\$703,836
Unemployment	5.70%	171	\$11,180	\$1,911,780
TANF	3.90%	117	\$2,473	\$289,341

Taxes / Savings (5)

State Sales Tax (7%)	\$3,133,200
City Sales Tax (2.25%)	\$1,007,100
SNAP Savings	\$703,836
Unemployment Savings	\$1,911,780
TANF Savings	<u>\$289,341</u>
Total Annual Tax Receipts and Savings	<u>\$7,045,257</u>

Appendix 3

Budget

EPIcenter Program and Support Costs 2017-2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Programming											
EPIcenter Programs											
EPIcenter Virtual Hub	125,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	800,000
Venture Fellows Program	290,000	280,000	453,000	448,000	453,000	448,000	453,000	448,000	453,000	448,000	4,174,000
Entrepreneur-in-Residence Program	269,000	330,000	399,000	462,000	465,000	462,000	465,000	462,000	465,000	462,000	4,241,000
Mentor / Coaches Support	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Corporate engagement program	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	1,750,000
Capital Development	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Partner Programs											
University Student Accelerator	175,000	175,000	175,000	200,000	200,000	200,000	240,000	240,000	240,000	240,000	2,085,000
Youth Entrepreneurship	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
Community-based programs	230,000	450,000	630,000	579,000	469,000	379,000	347,000	347,000	232,000	122,000	3,785,000
Internship program	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	960,000
Entrepreneurial Workshops and Events	100,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,225,000
Incubation and Acceleration	600,000	700,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	8,100,000
Accelerator / Incubator Space Rent	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	1,094,972
Portfolio Promotion	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Business Support Services	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
Coworking and Maker Space Network	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Memphis in May	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	475,000
Total Programming	2,785,000	3,158,000	3,732,040	3,766,121	3,666,243	3,570,408	3,588,616	3,582,869	3,478,166	3,362,509	34,689,972
Compensation and Benefits	1,131,180	1,147,312	1,163,750	1,180,502	1,197,574	1,214,975	1,232,713	1,250,796	1,269,233	1,288,031	12,076,067
Other Expenses	548,500	499,250	450,015	450,795	451,591	452,403	453,231	454,076	454,937	455,816	4,670,615
Shared Services	288,000	290,880	293,789	296,727	299,694	302,691	305,718	308,775	311,863	314,981	3,013,117
Total Program and Support Costs	4,752,680	5,095,442	5,639,594	5,694,145	5,615,103	5,540,477	5,580,278	5,596,515	5,514,199	5,421,338	54,449,771

Capital Investment Program

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 11-17	Total
CAPITAL DEPLOYED												
Pre-seed investments	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	10,000,000
Seed investments	0	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	5,250,000
Series A investments	0	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000	20,000,000
Community-Based Flexible Capital	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		5,000,000
Capital deployed per year	1,500,000	2,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,525,000	40,250,000
Cumulative capital deployed	1,500,000	3,525,000	7,550,000	11,575,000	15,600,000	19,625,000	23,650,000	27,675,000	31,700,000	35,725,000	40,250,000	40,250,000
RETURNS												
Returns from pre-seed investments								1,105,500	1,105,500	1,105,500	7,738,500	11,055,000
Returns from seed investments								1,319,063	1,319,063	1,319,063	9,233,438	13,190,625
Returns from Series A investments							0	6,700,000	6,700,000	6,700,000	46,900,000	67,000,000
Total return per year	0	0	0	0	0	0	0	9,124,563	9,124,563	9,124,563	63,871,938	91,245,625
Cumulative returns	0	0	0	0	0	0	0	9,124,563	18,249,125	27,373,688	91,245,625	91,245,625
NET RETURNS												
Total fund cashflows by year	-1,500,000	-2,025,000	-4,025,000	-4,025,000	-4,025,000	-4,025,000	-4,025,000	5,099,563	5,099,563	5,099,563	59,346,938	50,995,625
Management Costs	-500,000	-500,000	-500,000	-500,000	-500,000	-500,000	-500,000	-500,000	-500,000	-500,000		-5,000,000
Cumulative returns (over principal)	-2,000,000	-4,525,000	-9,050,000	-13,575,000	-18,100,000	-22,625,000	-27,150,000	-22,550,438	-17,950,875	-13,351,313	45,995,625	45,995,625

Note: More detailed assumptions are included below in this Appendix.

Budget Assumptions – Programming and Support Costs

Programming (described in detail in narrative)

EPIcenter Programs

1. **EPIcenter Virtual Hub** - The first three years are budgeted at higher amounts for build-out of the web platform, testing, kickoff events, and workshops to train users. After the initial period, expenses drop to maintenance levels.
2. **Venture Fellows Program** - This budget assumes the program is conducted in cohorts for two years. The program pays the full cost for each fellow for the first year; the hosting organization pays 25% of the cost for its fellow in the second year. Each cohort has eight fellows at \$50,000 salary and benefits and a \$500/month allocation for educational activities, cohort meetings and local travel. The first year (2016) is designed to be a year for setup of the program, piloting the program with one fellow (who will join cohort 1), and marketing and recruiting for a full cohort start in 2017.
3. **Entrepreneur-in-Residence Program** - The budget contemplates a ramp-up beginning with three EIRs, and then six in year 2 and through the remainder of the program. Each EIR will spend 1-2 years in the program at \$60,000 half-time salary and \$500/month for expenses, for an expected total of 30-35 individual EIRs over the 10 years.
4. **Mentor and coaches support** - Assumes recognition events for 50-100 mentors and coaches at \$500-\$1,000 each.
5. **Corporate engagement program** - The budget assumes two full-time employees or contractors with compensation of \$70,000 each, 2-4 training workshops for entrepreneurs (\$10,000 - \$20,000), local travel, and a connection event for procurement officers and startup companies, for an annual total of \$175,000.
6. **Capital Development** - The program begins with support for creation of angel investing clubs and community-based microloan funds in Memphis. Costs include a capital professional to build and train a network of investors (\$80,000), training workshops (\$10,000), promotion activities (\$20,000) and legal and accounting fees for set-up of angel clubs and administration of microloans (\$15,000). Funding in later years will be used to further develop the Memphis capital stack, including venture capital and lending programs.

Partner Programs

7. **University Student Accelerator** - Assumes that a stipend of \$2,500 per student (25 students) is paid during the summer program. Other costs are for delivery of the curriculum, facility rental at a university, facilitation, materials and supplies, etc.
8. **Youth entrepreneurship** - The budget assumes extensive group and one-on-one work with 50 youths per year, at a rate averaging \$2,000 each.
9. **Community-based programs** - The budget is based on estimated costs for programming work in approximately 12 communities over the 10-year period. Of these communities, nine are within Memphis, and three are in rural areas outside the city. The rural engagements are planned for 2017, 2019 and 2020.
10. **Internship program** - Eight positions per year for college-age interns is planned at a rate of \$12/hr. Summer interns are expected to work full-time for 400 hours. During the remainder of the year, interns will be part-time, at two assignments of 15 weeks half-time (300 hours each). It is estimated that approximately 20-25 individuals per year will fill these short-term positions.

11. **Entrepreneurial workshops and events** – A series of workshops with multiple focus areas are planned. These will include hackathons and startup weekends, a speaker series, and other workshops and events as informed by partners and entrepreneurs.
12. **Incubation and Acceleration** - These are funds used or provided to EPIcenter partners to support their work in incubation and acceleration. This includes the Start Co., Memphis Bioworks and EPIcenter accelerators and incubators and the Emerge incubator, among others. For 2016, there will be seven accelerators. Direct costs include entrepreneurship curriculum, facilitation, video production, speaker series, materials and supplies, events such as mixers, promotional materials, demo day and incubation. Certain salary costs, space rental, and marketing support are included in those categories elsewhere in the budget.
13. **Accelerator/Incubator Space Rental** – Assumes 10,000 square feet rent at \$15/s.f.
14. **Portfolio Promotion** – Marketing and promotion support for startups, including published success stories and assistance with preparation of marketing collateral for up to 25 companies per year at \$2,000 each.
15. **Coworking and Maker Space Network** – Provides support services and partial operating subsidies for 3-4 coworking spaces and one maker space.
16. **Memphis in May** - The budget provides for promotional and attraction activities to be conducted at the Memphis in May festival. The first year is at \$25,000 as already planned with EPIcenter partners. Subsequent years are higher with more extensive activities and broader participation. Corporate sponsorship is expected to cover most costs.

Compensation and Benefits

17. **Compensation and Benefits** - For purposes of this budget, personnel are added as required by the funded programs they support. Approximately \$4.4 million of \$11.2 million of compensation and benefit costs over the 10-year period are for administrative positions such as organization leadership, metrics and data reporting and administrative support. All others are direct expenses for programs.

Other Expenses

18. Includes travel, IT support, marketing, office rental, furniture costs and supplies and miscellaneous costs.

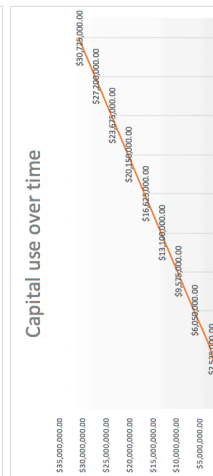
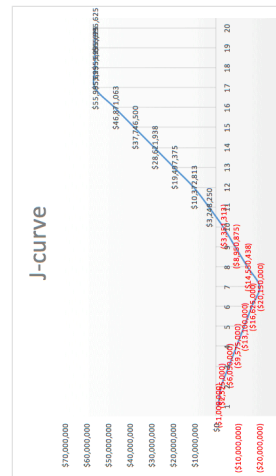
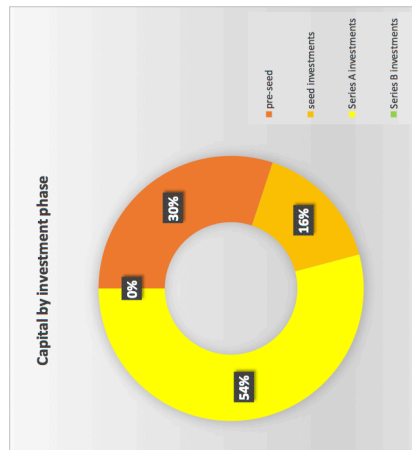
Shared Services

19. Shared services are finance, grant administration support, and marketing personnel.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Cash Outflow	year																			
	pre-seed																			
	pre-seed investments	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	original seed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	seed investments	\$ -	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Promoted to Series A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Original Series A																			
	Series A investments	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Promoted to Series B																			
	Original Series B																			
Series B investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital deployed per year	\$ 1,000,000	\$ 1,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 3,525,000	\$ 2,520,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative capital deployed	\$ 1,000,000	\$ 2,525,000	\$ 6,050,000	\$ 9,575,000	\$ 13,100,000	\$ 16,625,000	\$ 20,150,000	\$ 23,675,000	\$ 27,200,000	\$ 30,725,000	\$ 33,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000	\$ 35,250,000
Management Fee	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Capital used	\$ 1,000,000.00	\$ 2,525,000.00	\$ 6,050,000.00	\$ 9,575,000.00	\$ 13,100,000.00	\$ 16,625,000.00	\$ 20,150,000.00	\$ 23,675,000.00	\$ 27,200,000.00	\$ 30,725,000.00	\$ 33,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00	\$ 35,250,000.00
Cash Inflow	Returns from pre-seed investments							\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500	\$ 1,105,500
	Returns from Series A investments						\$ 0	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063	\$ 1,319,063
	Returns from Series B investments						\$ 0	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000	\$ 56,700,000
	Total return per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563
Cumulative returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,240,125	\$ 27,377,688	\$ 36,498,250	\$ 45,622,813	\$ 54,747,375	\$ 63,871,938	\$ 72,996,500	\$ 82,121,063	\$ 91,245,625	\$ 100,370,188	\$ 109,494,750	\$ 118,619,313	\$ 127,743,875	
Returns	total fund cashflows by year	\$ (1,000,000)	\$ (51,325,000)	\$ (3,525,000)	\$ (3,525,000)	\$ (3,525,000)	\$ (3,525,000)	\$ 55,599,563	\$ 55,599,563	\$ 55,599,563	\$ 55,599,563	\$ 71,134,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563	\$ 9,124,563
	Cumulative LP returns (over principal)	\$ (1,000,000)	\$ (52,325,000)	\$ (6,050,000)	\$ (9,575,000)	\$ (13,100,000)	\$ (16,625,000)	\$ (14,550,438)	\$ (8,950,875)	\$ (3,351,313)	\$ 3,248,250	\$ 10,372,813	\$ 19,497,375	\$ 28,621,938	\$ 37,746,500	\$ 46,871,063	\$ 55,995,625	\$ 55,995,625	\$ 55,995,625	\$ 55,995,625
	Profit share to angels							\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031	\$ 397,031
	Profit share to GP							\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000
LP/capitor return								\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531	\$ 63,777,531
Assumptions																				

Final Metrics

2.6 final fund cash-on-cash multiple
18% Fund gross cashflow IRR
\$28,525,313 EPICenter surplus over "evergreen"
\$3,970,313 Angel Booster
\$23,500,000 Series A VC Booster



Appendix 4
Key Leadership and Expertise

Leslie Lynn Smith

(b) (6)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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(b) (6)

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(b) (6)

[REDACTED]

Age Group	Percentage
18-24	85%
25-34	75%
35-44	65%
45-54	55%
55-64	45%
65-74	35%
75-84	25%
85+	10%

[illegible]

(b) (6)

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) (6) [REDACTED]

[REDACTED]

MICHAEL P. O'ROURKE

(b) (6)

(b) (6)

(b) (6)

(b) (6)

[REDACTED]

[REDACTED]

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Appendix 5

Recent Media Coverage

Entrepreneurs to descend on Memphis for Summer of Acceleration

By Wayne Risher

April 19, 2016

<http://archive.commercialappeal.com/business/entrepreneurs/Summer-of-Acceleration-boosts-startups-376236491.html>

More than 50 budding entrepreneurs are expected to take part in a 100-day "Summer of Acceleration" collectively organized by Memphis business accelerator programs.

EPIcenter, Start Co. and ZeroTo510 on Tuesday announced the cooperative effort to nurture startup businesses ranging from logistics to music to medical devices.

"We're not aware of another market executing this kind of entrepreneurial collaboration, especially through student and industry-specific accelerators – industries in which our region has a competitive advantage," EPIcenter president Leslie Smith said.

"Having more than 50 founders of startups coming to Memphis to participate in these accelerators this summer puts Memphis on the map as a vibrant destination in which to start and grow a business," Smith said.

Eric Mathews, founder and chief executive of Start Co., added, "With the increased density of teams, investors, partners and mentors, startup founders will experience dramatically improved idea velocity and enhanced value creation. The individual accelerator programs would find it hard to attain this in isolation."

"All the participants will reap the benefits that occur with the increased creative collisions with teams from varied industry verticals, as well as the assembled technology and creative community in the area," Mathews said.

Seven accelerator programs have already selected participants, who will be announced May 2. The program concludes with a Demo Day Aug. 11 at the Halloran Center Downtown.

The programs are: EPIcenter Logistics Innovation Accelerator; ImagineU; Seed Hatchery; Sky High; Start MMT; Upstart; and ZeroTo510.

Start Co. will support all seven with its core accelerator program and provide industry-specific training for Seed Hatchery, Sky High and Upstart.

Seed Hatchery is the city's original accelerator. Sky High has a social-impact emphasis. Upstart focuses on women-led technology startups.

ImagineU is a first-time collaboration of seven Memphis colleges and universities on an accelerator that focuses on business ideas of student teams.

EPIcenter's logistics accelerator is sponsored by FedEx. The Consortium MMT will provide music industry-specific programming for Start MMT, which was founded in conjunction with songwriter David Porter. Memphis Bioworks Foundation will provide medical device expertise for ZeroTo510.

‘Why Don’t We Start Our Own?’

New angel investment network launches to let women consider and fund business ideas

By Andy Meek

July 23, 2016

<https://www.memphisdailynews.com/news/2016/jul/23/why-dont-we-start-our-own/>

The diner-style restaurant planned for 2657 Broad Ave. is a bit unique as far as commercial real estate projects go.

Yes, it’s of a piece with the rest of the groundswell of redevelopment and commercial activity that’s transformed Broad into a people-packed arts, retail and restaurant scene. One of those hotspots along the street is the combination coffee shop and retailer City & State, the owners of which have signed a lease at 2657 Broad for their next venture.

It’ll be an “old-timey” diner, says City & State co-owner Lisa Toro, who along with her husband Luis, is pursuing a concept that includes breakfast, lunch and dinner with a menu that includes everything from so-called boozy milkshakes to soda fountain cocktails.



Lisa Toro plans to create and pour signature cocktails at her new diner, The Liquor Store, which a women's investment network is helping fund. Memphis News/Andrew J. Breig)



Members of a new women's investment network, (from left) Margot McNeeley, Pat Brown and Lisa Toro, walk along Broad Avenue. (Memphis News/Andrew J. Breig)



EPICenter president Leslie Lynn Smith and Lisa Toro confer after a walkthrough of The Liquor Store space. (Memphis News/Andrew J. Breig)

It'll be called The Liquor Store. That's because the space used to be, well, an actual liquor store, and the building is still called that by some people. The name is also meant to inject a little humor into things. How cool would it be, Lisa Toro says, to say "Let's go have breakfast" and when some asks where, the reply is, "Let's go to the liquor store."

The most singular part of the whole concept, though, is how the Toros want to bring it to fruition.

Financing is the lifeblood of any real estate endeavor, and the Toros have decided to tap a new source for theirs. It's a source Toro herself has actually had a hand in creating.

Because she didn't know exactly where would be the best place to line up the investment to get The Liquor Store completed, a conversation with some of her entrepreneurial peers led to a eureka moment. Why don't we just start our own?

Thus was born a kind of angel investment network – comprised entirely of women.

The first meeting was held last month, when a couple dozen women met at City & State for an initial discussion. The plan is for the group to have those meetings regularly and be presented with potential investment and business opportunities for projects that could activate commercial spaces in neighborhoods that could especially use it.

The Liquor Store was the first such pitch.

"We've been on Broad a little over a year and watched it grow and have seen retail storefronts expand tremendously," Toro said. "However, the restaurant options are limited. We have customers constantly coming in saying it's awesome and we want to spend the day out here, but where can we go get lunch?"

Once the Toros had settled on their plan for a diner, they quickly began trying to work out how they'd secure the additional capital they needed. Toro recalls turning to friends like Project Green Fork founder Margot McNeeley, and those friends had similar stories of saying they needed find money for their ventures, but didn't necessarily know where to start or have a network to turn to.

McNeeley responded, why don't we start our own?

"Lisa was talking to myself and Margot, and we were just brainstorming about other great projects happening in town like Loflin Yard," said Pat Brown, co-owner of the T Clifton Art gallery and a member of the Historic Broad Avenue Art Alliance. "And we were wondering – how do we get funding beyond the traditional means of going to the bank and getting a loan or being wealthy enough to start your own business? Particularly when you think about the Broad Avenue model and you think about other smaller makers trying to open storefronts – where do they get capital?"

The conversation led to an idea of women committing to investing in other women-owned businesses.

"Neighborhood commercial, to me, is the foundation of neighborhood revitalization," Brown said. "And as Memphis gets back to thinking about its urban core neighborhoods, how powerful will that be to empower and help launch other women business owners?"

FINDING ITS WAY

The group's formation has a provenance similar to some of the city's more popular commercial redevelopment projects of late – like Rec Room and Loflin Yard, idiosyncratic concepts that materialize from opportunity rather than meticulous forethought. So it is with the new investment group, which is still finding its way, working through what the considerations should be, how often it will meet and other details.

Leslie Lynn Smith, president of Memphis' EPIcenter organization, which is focused on entrepreneurship, will be the point person for the investment group. The group, Smith said, fits very neatly into EPIcenter's reason for being, given that the organization is looking to solve "gaps of activity" and provide momentum for "talent, technology, customers and capital" where the need is evident and beneficial.

As far as what that might look like and how it might work in practice, local commercial real estate veteran Mary Sharp has some ideas.

She's the managing director for CBRE services to Baptist Memorial Health Care and recommends a few specific actions for the group:

"It's a very interesting concept, for sure," Sharp said. "What's happened in Memphis in recent years is there's been a lot of institutional dollars coming in. They're looking at more Class A assets in the city and industrial assets. Depending on the type of assets and the pool of money, that's really where the opportunity comes."

Certain classes of assets, she says, are "pretty competitive" for purchasing. It depends on what kind of return people are looking for in their investment strategy.

Sharp recommends the investment group especially develop the latter, and be purposeful about figuring out what kind of property fits the mold of what the group is looking for, "rather than trying to look at everything."

Smith said, at the moment, this isn't intended to be a kind of investment club, where participants pool their money and invest as one. The idea for the group, using a project like The Liquor Store as an example, is the women could decide to put up capital collectively. Or, if some of them felt more strongly than others about a particular project, they could invest as individuals.

Toro expects projects to come before the group with funding needs that could range, she estimated, anywhere from \$10,000 to \$500,000. She said The Liquor Store's funding needs are on the higher end of that scale "compared to what we anticipate the median capital asks will be." Without specifying a dollar amount, she said she and her husband are raising six figures for their eatery.

ENTHUSIASM HIGH FOR NETWORK

Eventually, Smith says, something like a pool of investment funding could take shape, though that's not a near-term plan.

Toro, meanwhile, said she's still meeting with potential individual investors for the diner concept. A timeframe for when it might open, she adds, is still to be determined, as the Toros are still in the funding process.

One thing that's already clear, though, is that the concept for The Liquor Store is a continuation of the Toros falling in love with Broad and deciding to launch their first business along the street.

They'd originally thought about starting City & State's modern-day general store concept online. But it was a drive around town, and eventually making their way to Broad, that brought them in sight of the building they knew instantly they wanted for City & State – a business that's part coffee shop, part peddler of everything from home goods and accessories to men's and women's clothing.

Brown said the idea for an investment network comprised of women came together quickly from the initial discussions. The initial expectation was that something like 10 women would come to that first meeting, and it ended up drawing more than 20.

It was exciting, Brown said, to see the level of interest and energy from the participants, as well as the group asking "tough" questions about how they're going to make sure to be "very intentional" in their efforts.

"As a business owner on the street, I'm very excited for us to add additional restaurant-type options, particularly that'll be open during the day," Brown said. "Most of the retail shops are open during the day, and you have people come to the street who want lunch, too. I think The Liquor Store is an incredible concept, it's an iconic building on the street, and the Toros have a great track record already on Broad. You know this will be a fun concept, and done well."

Collaboration Among Accelerators Hailed as Ultimate Startup Move

By Madeline Faber

August 15, 2016

<https://www.memphisdailynews.com/news/2016/aug/15/collaboration-among-accelerators-ailed-as-ultimate-startup-move/>

Last year's Demo Day marked the first time that the city's primary entrepreneurship partners, Start Co. and Memphis Bioworks, combined their separate efforts into one event. This year soared past previous collaborative efforts, with seven different accelerators and three partners participating in Demo Day, the culminating pitch event for Memphis-based companies seeking the next stage of investment.

Seventeen companies presented their business plans on Aug. 11 to a crowd of community supporters and out-of-town investors at The Orpheum Theatre's Halloran Centre for Performing Arts & Education.

This summer of acceleration, the local term for the 15-week boot camp for company founders, knitted together the city's various startup efforts under a new collaborative effort.

Each team, whether it was housed under Start Co., EPIcenter or Memphis Bioworks' ZeroTo510 accelerator, split time between core curricula at Start Co. and industry-specific activities.

Last year's jointly hosted Demo Day set the stage for this year's massive event, which Leslie Smith, president of EPIcenter, described as building on an "unprecedented collaboration in Memphis where our partners came together to deliver a program so solid and steeped with collaboration that these companies grew together instead of apart in Memphis, which is how we've handled it in the past."

Three new accelerators launched at Demo Day this year. Start MMT, one of the world's first music industry innovation accelerators, fostered two Memphis-based companies looking to change how music professionals use technology.

Another accelerator, ImagineU, helped students from seven Memphis colleges and universities bring their business ideas to fruition.

EPIcenter introduced the second cohort of its Logistics Innovation Accelerator at Demo Day. Having only launched last year, EPIcenter held a standalone Demo Day for its inaugural class of startups looking to bring innovative logistics products and technologies to market. This year,

EPIcenter introduced three companies alongside established entrepreneurial partners Start Co. and Memphis Bioworks.

EPIcenter was founded with the aid of the Greater Memphis Chamber to act as the connective tissue between Memphis' many entrepreneurial and startup efforts. One of those steps was to open up programming and resources to all cohorts regardless of which accelerator they belonged to.

Andre Fowlkes, president of Start Co., said efforts around collaboration have better served individual teams.

"We came together and said, 'let's not cut them off from each other and have them be landlocked from the other resources that are out there, and let's open it up for everybody,'" Fowlkes said. "So, having everyone under one roof the way we were at 88 Union Ave. where Start Co. is located, allowed for great collaboration among the teams themselves."

That collaboration extended to the student level, with Memphis College of Art students coming together to provide design and concept work for the startup companies. As part of a newly established Creatives in Residence program through EPIcenter, MCA students acted as a mini design agency working with clients from 11 of the 17 startup companies. The students designed logos and marketing materials and received payment for their efforts.

"My perspective is that there's great opportunity for Memphis, in this pilot program of Creatives in Residence at Epicenter, to see the economic value of creativity in our marketplace," said Zark Strasburger, MCA's director of professional practices. "We usually think about the cultural value of creativity and the arts, but these students make a big difference in the ultimate bottom line of a number of corporations."

Medical District Begins Buy Local Program

By Michael Waddell

October 21, 2016

<https://www.memphisdailynews.com/news/2016/oct/21/medical-district-begins-buy-local-program/>

Nine hospitals and universities within the Memphis Medical District are inviting Memphis-based innovators, entrepreneurs and existing companies to help solve operational challenges within their supply chain.



Purchasing representatives of medical district institutions participating in the "Buy Local" program include (left to right): Eric Richardson (UTHSC), Michelle Newman (UTHSC), Brandon Wellford (Bioworks Foundation), Cynthia Bardwell (Methodist Le Bonheur), Steven Smith (Regional One Health), LeAnne Smith (Baptist) and Don Wideman (St. Jude).

(Alan Howell)

A "Buy Local" business plan competition on Oct. 26 will mark the kickoff of the "Operation Opportunity" initiative, which will give incentives to small, locally owned businesses to develop purchasing relationships with the big hospitals and universities in the district.

The Memphis Medical District Collaborative (MMDC) is working with U3 Advisors and EPIcenter on the project, and participating Medical District institutions include St Jude Children's Research Hospital/ALSAC, Methodist LeBonheur Healthcare, Regional One Health, University of Tennessee Health Sciences Center, Baptist College of Health Sciences, Southern College of Optometry and Bioworks Foundation.

"This is really a story about what can happen when you think about the collective demands of the institutions in the area," said MMDC president Tommy Pacello.

The Medical District anchor tenants spend more than \$1.2 billion in goods and services each year, with the potential for an estimated \$350 million of that amount to be spent locally.



Jean Perdicas and Gary Sprinkle enter Trolley Stop Market in the medical district for lunch.

(Alan Howell)

“We’re capturing a big chunk of that – just over \$50 million per year – and there’s an opportunity that when we look collectively at that demand we can begin to say ‘what if we were to think about repositioning some of that spend into local minority women-owned businesses,’ for example,” Pacello said.

The purchasing power of the district’s anchors bolsters numerous industries throughout the Memphis region, ranging from advanced medical imaging equipment to logistics needs to landscaping services to simple paper products for hospital bathrooms.

Project partner U3 Advisors is an advisory firm that assists universities and hospitals nationwide with the economic development in their neighborhoods, and the firm has worked with the Memphis Medical District anchors for the past two years on the overall revitalization of the area.

“The business plan competition is part of the broader redevelopment effort that’s happening within the Medical District with all of the major anchor institutions,” said Alex Feldman, vice president with U3 Advisors. “We’re working with them to leverage the economic impact from their employees, their students, and their purchasing to have a stronger impact locally within the neighborhood and the city.”

They created a local purchasing council, consisting of the heads of procurement at the local institutions, that meets monthly, and the idea for the competition came out of those meetings.

“They have not been able to find the right kind of business within Memphis that can provide certain services, so we’d like to open up the opportunity to entrepreneurs and small businesses in the Memphis community to address those needs during the competition,” Feldman said.

The institutions identified four categories in which a locally managed solution would add great value:

- Efficiency in end-to-end transportation management for patients and their families;
- Modular/mobile on-site maintenance for fleet and industrial equipment;
- On-demand burst staffing platform for quick turnaround projects;
- Software solutions for managing vendor contract relationships.

With bursts of staffing needs, the institutions often have a need to hire people for a quick project or to organize volunteers quickly to provide support for fundraising initiatives or mailings.

The Buy Local Business Plan competition will be launched on Wednesday, Oct. 26, from 4:30 p.m. to 6 p.m. at High Cotton Brewery. Competing groups will be able to sign up and hear from the anchors' purchasing representatives about specific areas that they would like to see addressed.

The competition is open to anyone, and more than 30 RSVP's had already been received from entrepreneurs by mid-October.

Four prize packages will include \$20,000 in business support capital and \$5,000 in customized business development training through EpiCenter, which supports entrepreneurship and business creation. Funding for the prizes came from the participating institutions and from philanthropic support.

After the event, there will be a chance to compete online. The winners will be selected by the end of the year, and the MMDC will work with them next year on their new ventures.

"The hope is that we can generate businesses that one of the institutions needs now and then they can possibly benefit more of the institutions in the future," Feldman said.



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Epicenter Memphis Capital, LLC
902 S COOPER ST
MEMPHIS, TN 38104-5603

April 11, 2018

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000957935	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	04/11/2018
Filing Date:	04/11/2018 3:02 PM	Fiscal Year Close:	12
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Duration Term:	Perpetual	Image # :	B0537-0367
Managed By:	Member Managed		
Business County:	SHELBY COUNTY		

Document Receipt

Receipt # : 004025082	Filing Fee:	\$300.00
Payment-Check/MO - BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, NASHVILI		\$600.00
Deposit-Account - BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, NASHVILLE,		\$300.00

Registered Agent Address:
LESLIE SMITH
902 S COOPER ST
MEMPHIS, TN 38104-5603

Principal Address:
902 S COOPER ST
MEMPHIS, TN 38104-5603

Congratulations on the successful filing of your **Articles of Organization** for **Epicenter Memphis Capital, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Processed By: Alex Maxfield

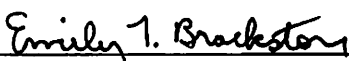
FILED

**ARTICLES OF ORGANIZATION
OF
EPICENTER MEMPHIS CAPITAL, LLC**

Pursuant to the Tennessee Revised Limited Liability Company Act (the "**Act**"), the undersigned hereby adopts the following Articles of Organization for the purpose of organizing a nonprofit limited liability company under the Act:

1. **Name of Limited Liability Company.** The name of the limited liability company shall be Epicenter Memphis Capital, LLC (the "**LLC**").
2. **Initial Registered Office and Agent.** The street address and zip code of the LLC's initial registered office in Tennessee is 902 S. Cooper Street, Memphis, TN 38104, which is located in Shelby County. The name of the initial registered agent at such office is Leslie Smith.
3. **Principal Executive Office.** The street address and zip code of the LLC's principal executive office is 902 S. Cooper Street, Memphis, TN 38104, which is located in Shelby County.
4. **Management.** The LLC shall be member-managed.
5. **Effective Date.** The existence of the LLC shall begin upon the filing of these Articles with the Secretary of State.
6. **Fiscal Year.** The fiscal year of the LLC shall end on December 31 of each year unless changed by the members.
7. **Written Operating Agreement.** The Operating Agreement of the LLC and all amendments thereto shall be in writing.
8. **Inconsistent or Contradictory Provisions.** To the extent that any express provisions in these Articles of Organization or in the Operating Agreement of the LLC are inconsistent with or contradict any provisions of the Act that are waivable or subject to alteration or modification under § 48-249-205(a) of the Act, such inconsistent or contradictory provisions of the Act are hereby waived (rendered inapplicable), modified and altered to the extent necessary to give full effect to the express provisions of these Articles of Organization and the Operating Agreement of the LLC.

Dated: April 11, 2018.



Emily T. Brackstone, Organizer



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Epicenter Memphis Formation Fund, LLC
902 S COOPER ST
MEMPHIS, TN 38104-5603

April 11, 2018

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000957936	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	04/11/2018
Filing Date:	04/11/2018 3:02 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2019
Duration Term:	Perpetual	Image # :	B0537-0368
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Managed By:	Member Managed		
Business County:	SHELBY COUNTY		

Document Receipt

Receipt # : 004025093	Filing Fee:	\$300.00
Payment-Account - #28322 BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, NAS		\$300.00

Registered Agent Address:
LESLIE SMITH
902 S COOPER ST
MEMPHIS, TN 38104-5603

Principal Address:
902 S COOPER ST
MEMPHIS, TN 38104-5603

Congratulations on the successful filing of your **Articles of Organization** for **Epicenter Memphis Formation Fund, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Processed By: Alex Maxfield

**ARTICLES OF ORGANIZATION
OF
EPICENTER MEMPHIS FORMATION FUND, LLC**

FILED

Pursuant to the Tennessee Revised Limited Liability Company Act (the "*Act*") and the Tennessee Revised Nonprofit Limited Liability Company Act (the "*Nonprofit Act*"), the undersigned hereby adopts the following Articles of Organization for the purpose of organizing a nonprofit limited liability company under the Act and the Nonprofit Act:

1. **Name of Nonprofit Limited Liability Company.** The name of the nonprofit limited liability company shall be Epicenter Memphis Formation Fund, LLC (the "*LLC*").
2. **Initial Registered Office and Agent.** The street address and zip code of the LLC's initial registered office in Tennessee is 902 S. Cooper Street, Memphis, TN 38104, which is located in Shelby County. The name of the initial registered agent at such office is Leslie Smith.
3. **Principal Executive Office.** The street address and zip code of the LLC's principal executive office is 902 S. Cooper Street, Memphis, TN 38104, which is located in Shelby County.
4. **Management.** The LLC shall be member-managed.
5. **Effective Date.** The existence of the LLC shall begin upon the filing of these Articles with the Secretary of State.
6. **Fiscal Year.** The fiscal year of the LLC shall end on December 31 of each year unless changed by the members.
7. **Written Operating Agreement.** The Operating Agreement of the LLC and all amendments thereto shall be in writing.
8. **Inconsistent or Contradictory Provisions.** To the extent that any express provisions in these Articles of Organization or in the Operating Agreement of the LLC are inconsistent with or contradict any provisions of the Act that are waivable or subject to alteration or modification under § 48-249-205(a) of the Act, such inconsistent or contradictory provisions of the Act are hereby waived (rendered inapplicable), modified and altered to the extent necessary to give full effect to the express provisions of these Articles of Organization and the Operating Agreement of the LLC.
9. **Nonprofit Status.** The LLC is a nonprofit limited liability company and is organized exclusively for charitable, educational, religious or scientific purposes of its sole member within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*").

10. **Nonprofit Restrictions.** To the extent required by Section 501(c)(3) of the Code: (i) no part of the net earnings of the LLC may inure to the benefit of any individual except as reasonable compensation for services actually rendered by such individual or as payments and distributions in furtherance of the purposes set forth herein; (ii) no substantial part of the activities of the LLC shall be carrying on propaganda, or otherwise attempting, to influence legislation (except as permitted by Section 501(h) of the Code); and (iii) the LLC shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Articles of Organization, the LLC shall not carry on any endeavors or activities not permitted to be carried on by its sole Member or an organization exempt from federal income tax under Section 501(c)(3) of the Code, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Code.
11. **Dissolution.** Upon dissolution of the LLC, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, i.e. charitable, educational, religious or scientific, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose.

The undersigned certifies that the LLC is (a) a nonprofit limited liability company whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004 and (b) disregarded as an entity for federal income tax purposes.

Dated: April 11, 2018.

Emily T. Brackstone
Emily T. Brackstone, Organizer

Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP OF "EPICENTER
MEMPHIS CO-INVESTMENT FUND I, L.P.", FILED IN THIS OFFICE ON
THE THIRTEENTH DAY OF APRIL, A.D. 2018, AT 2:55 O`CLOCK P.M.*



Jeffrey W. Bullock, Secretary of State

6843533 8100
SR# 20182680342

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202520829
Date: 04-16-18

**CERTIFICATE OF LIMITED PARTNERSHIP
OF
EPICENTER MEMPHIS CO-INVESTMENT FUND I, L.P.**

Pursuant to the provisions of the Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17, the undersigned general partner hereby executes a certificate of limited partnership:

1. The name of the limited partnership is *Epicenter Memphis Co-investment Fund I, L.P.*

2. The complete address of the principal office of the partnership is 902 S. Cooper Street, Memphis, TN 38104.

3. The complete address of the registered office in Delaware is 160 Greentree Drive, Suite 101, Dover, Delaware 19904.

4. The name of the registered agent, to be located at the address listed in No. 3, is National Registered Agents, Inc.

5. The name and address of the sole General Partner is:

Epicenter Memphis Capital, LLC
902 S. Cooper Street
Memphis, TN 38104

6. This document is to be effective upon filing by the Secretary of State.

Executed as of the 3~~4~~ day of April, 2018.

EPICENTER MEMPHIS CAPITAL, LLC

By: 

Leslie Smith, President

M EJB 2386977 v1

2909700-000009

EDA SFS: Vibrant Memphis DBA Epicenter--Memphis Region Capital Capacity (MRCC)

Executive Summary

Epicenter requests \$289,500 from the EDA Regional Innovation Strategies Seed Fund Support. Paired with Epicenter's \$295,000 match, this capital will support the Memphis Region Capital Capacity (MRCC) project. This project encapsulates the operations of two pools of de-risked capital (Formation Fund and Co-Investment Fund) deployed in support of early-stage entrepreneurs. In addition to direct fund management, Epicenter will use venture capital partners and industry leaders to recruit innovative companies along Memphis' regional industry clusters (Food and Agriculture, Emerging Tech, Medical Device, and Transportation, Distribution and Logistics) as defined by the 2018 Mass Economics Target Industries Study. Most critically, MRCC will focus on retaining high-growth companies in the Memphis economy. Epicenter holistically and strategically supports an entrepreneurial ecosystem that nurtures entrepreneurs by ensuring access to talent, customers, and capital – all necessary supports for a thriving entrepreneurial movement. MRCC primarily focuses on the capital; in a flourishing entrepreneurial ecosystem, the capital available to entrepreneurs must be as dynamic as the entrepreneurs themselves, and be deployed in the right amount, from the right source, at the right time. The MRCC and its related funds and activities work to build and nurture this dynamic capital stack, and in doing so, encourage more risk-taking behavior and larger risks from venture capital and angel investors alike. Finally, by filling the capital stack with diverse capital offerings, Epicenter continues to improve deal flow, therefore recruiting more dollars from outside the region into the companies that will most significantly impact Memphis.

Description of Region, Opportunities, and Industry Clusters - Overview

Epicenter is the hub of the entrepreneurship movement in the Memphis region; Epicenter is in Memphis (Shelby County), in the southwestern corner of the state of Tennessee, and centered in the MSA, which constitutes its service area of 10-counties in three states: Tennessee (southwest), Mississippi (south) and Arkansas (east). The service area by FIPS codes is AR (Crittenden-05035; St Francis-05023), MS (Benton-28009; DeSoto-28033; Marshall-28093; Tate-28137; Tunica-28143), and TN (Fayette-47047; Shelby-47157; Tipton-47167). The 10 counties are considered the Mid-South, and represent a total 2018 population of 1.4million, of which Census-recognized/determined minority populations constitute 47% Black or African-American, 6% Latinx and 7% other. Most of the rural areas have significant levels of poverty, but Memphis too has experienced high poverty rates in many neighborhoods, earning a consistent national top ten ranking.

Memphis is part of the Mississippi Delta, located on the Mississippi River. The geographical area is a combination of urban and rural, with the City of Memphis representing the largest urban area, including the most accessible and most used combination of rail, road, river, and runway. Within the Memphis MSA, residents enjoy an abundance of natural and manmade resources within nearly 5,000 square miles. Among the other natural resources are the Mississippi and Wolf rivers, forests, temperate weather (supporting 24/7 air travel from the FedEx headquarters), hundreds of thousands of acres of fertile agricultural soil, and the best water aquifer in the region and likely the country.

Historically, the states and the MSA have received their strongest federal support in grants designed to help those in poverty; primary funders have been the Departments of Health and Human Services and Education. Within DHHS, however, Memphis has always benefited from the exceptional research presence of St. Jude Children's Research Center; in FY2018 alone, St. Jude was awarded more than \$90million in research funding, which was complemented by awards to the University of Memphis, the University of Tennessee. In recent years, the region has experienced greater success in seeking funding for project designed to bolster economic activity. These grants include funds from the Departments of Labor (for workforce development),

Agriculture (for rural development), and Commerce (for institutional, rural and urban redevelopment, including disaster relief, and entrepreneurship, including the SBA Regional Cluster award). Epicenter is located in the federally-approved Cooper-Young Opportunity Zone in Shelby County; in the MSA, only Benton has none. As a result of Epicenter's commitment to reduce or eliminate management fees and profit shares there is strong investor interest.

In 2018, alongside a collection of Memphis anchor institutions working in economic development (City of Memphis, Shelby County Government, Economic Development Growth Engine (EDGE), University of Memphis), Epicenter engaged Mass Economics for new insight and solid data to define the best cluster opportunities in the Memphis region. (Note that the CEDS area managed by Memphis Area Association of Governments consists of six counties; only five of those are part of the Memphis MSA.) Mass Economics specializes in urban economic growth and equity, using expertise in data, analytics, surveying, modeling, and economic cluster strategies.

After interviews, site visits, roundtable discussions, and extensive data analysis, Mass Economics identified target industries, with growth scenarios and job growth targets. Of the six industry clusters identified by the study as having significant opportunity for growth, the MRCC will focus on the four industry clusters most poised for high-tech, high-growth company success. The clusters are Food and Agriculture, Emerging Tech, Medical Device, and Transportation, Distribution and Logistics (TDL), described below. Epicenter already has active programming in all four clusters. The Mass Economics study, however, has ensured stronger and more confident regional support for investments in these clusters.

Food and Agriculture -Per the Mass Economics Target Industries Study, the Food and Agriculture cluster refers to “firms involved in the processing of raw food materials and the manufacturing of downstream food products.” Memphis sits in the heart of a bountiful 13-million-acre agricultural region. This area boasts some of the country's richest soils and the Mississippi River and Aquifer provide one of the purest and most plentiful water supplies in the world. Agriculture dominates the economy for 100 miles in every direction of Memphis, and Memphis has been steadily building the infrastructure to support high-growth technologies in service to agriculture.

AgLaunch, a 501(c)3 based in Memphis, Tennessee, is a national leader in the AgTech space, including its recent designation as one of the 14 federal SBA Regional Innovation Clusters (Mid-South Delta Agriculture Innovation Cluster (Delta Ag Cluster”) and an essential partner. AgLaunch has worked diligently to create a vast network of farmers with which startups developing AgTech can test their technologies in field trials. In 2018, Indigo Ag announced a headquarters move to Memphis, further solidifying Memphis' position as the capital of food and agriculture. AgLaunch is submitting an RISi6 application for commercial validation of agtech startups, using a farm-centric model and the creation of a “digital commons” for ag data.

In addition, Agricenter International is another regional asset, operating as a self-sustaining, nonprofit that provides economic development and improved quality of life by facilitating agricultural research, educational programs, environmental conservation, natural area preservation and recreational opportunities. Agricenter is the lead entity for the Organic Resource Center (ORC), the central hub for organic research for the Mid-South Mississippi Delta region (5 states, 98 counties). Despite these assets, Memphis is underperforming in job creation and growth in Food and Agriculture when compared to the national average. Additionally, Memphis is ripe with possibility to develop technologies that will ensure the Delta remains a national powerhouse in crop production.

Medical Device - Per the Mass Economics Target Industries Study, the Medical Device cluster refers to “firms involved in surgical, dental, ophthalmic, optical devices, as well as other laboratory instrument manufacturing firms.” Memphis is home to more than 47 medical device companies that employ more than 16,800 employees according to the Greater Memphis Medical Device Council. Since 2012, Memphis is also home to nationally recognized medical device accelerator ZeroTo510. ZeroTo510 has created 29 companies and 65 jobs, and participants from this accelerator alone have raised over \$15M between seed and follow-on funding. In 2016, Regional One Health, an anchor institution in Memphis, opened their Regional One Innovation Center. Since then, they have worked on actively partnering with startups to test medical technologies.

Transportation, Distribution and Logistics (TDL) - Per the Mass Economics Target Industries Study, the TDL cluster refers to “the transportation of freight and goods both locally and long distance, wholesaling, and supporting industries like packaging.” Memphis is America’s Distribution Center - the existing infrastructure for TDL in Memphis is unparalleled nationally.

Perhaps Memphis’ most recognizable company across all industries is FedEx, which is headquartered locally. FedEx is a logistics giant, operating the world’s largest cargo air fleet from the Memphis International Airport (due to FedEx’s shipping prowess, Memphis’ airport is the second busiest in the world). FedEx employs more than 30,000 Memphians, and provides a solid pipeline for high-quality, mid-level logistics talent.

In addition to FedEx, Memphis is home to a large number of third party logistics companies (3PL) and smaller family-owned trucking companies. Memphis has myriad natural geographic advantages - 75% of the American population can be reached within a 20-hour drive, and of course, Memphis sits on the iconic Mississippi River, a beacon of intermodal transportation. Memphis can move freight by railway, road, river or air. Memphis has an opportunity for both higher density and higher paying TDL jobs in Memphis. The strengthening of Memphis’ industry clusters necessarily requires a strengthening of TDL, in a natural symbiosis that results in a strengthening of the total Memphis economy.

Emerging Tech - Accelerators have been supporting and developing an Emerging Tech sector (biologistics, cybersecurity, edtech, fintech, and blockchain) in Memphis within other industry clusters. Biosciences and specifically medical devices, for example, have proven regional industry strengths in virtually every economic research report in the last fifteen years. Once again, in the 2018 Mass Economics report, the comprehensive possibilities of biosciences, biologistics and medical devices were confirmed as critical contributors to the regional economy. This positioning has been borne out by the success of companies participating in the nationally recognized Zeroto510 accelerator (including SweetBio, SOMAVAC and others).

The University of Memphis Research Park (CommuniTech) was founded to preserve community spirit, amplify opportunity and establish a center of creative empowerment and emerging innovation. It is a focal point for innovation support: access to research and lab space, meeting space, workforce pipeline, networking and professional development, venture funds access, and sponsorship facilitation. As a CommuniTech partner, Epicenter is a member of the advisory board, and will have access to research faculty, with relationships and funding opportunities cultivated by the UMRP Research Park team. Entrepreneurs supported in Epicenter’s programs will also have opportunities to pitch and possibly obtain venture funding. The Division of Research and Innovation also encourages faculty and student research in virtually every department.

Project Description - Access to capital consistently tops the list of needs for entrepreneurs. Epicenter has developed a continuum of capital (informally, the capital stack) as one of the pillars for the ecosystem.

Epicenter offers academic education and training to strengthen business skills, but also broadly utilizes diverse capital offerings, providing flexible capital (Friends & Family Funds for one-time capital milestones, matched by cash/in-kind; and Pre-Development Loan Funds (PDLF) for pre-contract acquisition costs). Epicenter also continues to leverage its external funding, including access to angel investment, pre-bank debt and equity. The creation of the Formation Fund (nonprofit) and Co-Investment Fund (for-profit) responds to a capital need identified by Epicenter's ongoing, holistic evaluation of assets and gaps in the entrepreneurial ecosystem.

To specifically serve high-tech companies, and to provide an attractive investment opportunity, Epicenter developed a bifurcated Investment Fund Strategy that will provide two pools of high growth equity capital: Epicenter Memphis Formation Fund and Epicenter Memphis Co-investment Fund. Each fund serves a distinct purpose and will have its own corporate entity.

The Formation Fund encourages the formation of new companies that leverage the ecosystem and infrastructure that exist in Memphis industry clusters, Food and Agriculture, TDL, Medical Device, and Emerging Tech. By leading pre-seed investments in startups, as well as providing intensive wraparound services such as training and mentorship during this phase, Epicenter will greatly increase the likelihood of ultimate company success, thus derisking the investment opportunity for future investors.

Companies that successfully make it through the pre-seed stage will be eligible for investment from the Co-Investment Fund, which encourages both local and out-of-region investors to invest in Memphis-based startups that have strong, proven support from the ecosystem, traction, and an increased likelihood of success. The Co-Investment Fund will only invest in companies that are able to attract outside funding that will leverage the capital Epicenter is committing to invest. This requirement will not only expand the capital pool available to startups in Memphis, but also serves as a strong viability checkpoint for each startup.

By decoupling the pre-seed stage from the rest of the Epicenter's investments, and creating two legally distinct funds, we address several concerns that are inherent to early stage venture investing.

The \$5 million Formation Fund will be capitalized with unrestricted grant dollars and deployed as a critical economic development tool investing in the riskier pre-seed stage deals putting more quality teams into the pipeline and the network of support programs provided by the Epicenter ecosystem. The Formation Fund is expected to invest in approximately 15 new companies each year, investing \$50,000, on average, in each company. The companies will be actively recruited from across the country, as well as being homegroomed through other Epicenter programs. Epicenter will work with several community accelerators to identify and vet the companies accepted into this Fund. Once investment candidates have been identified, the Investment Committee will review the candidates and make the ultimate decisions. The Formation Fund will be a strong gatekeeper for follow-on investments and only around 30% of its companies are expected to ultimately receive an investment from the Co-Investment Fund. Startups that receive investment at this stage will get intensive programming and mentoring as part of a startup incubator, as well as customized on-going support. The Formation Fund is expected to "evergreen" over a 10-year period.

The \$20 - \$30 million Co-Investment Fund will target de-risked Seed, Series A and Series B deals, making this fund more attractive for external institutional and private investors. Further, because the Co-Investment Fund will only co-invest in deals with other accredited and experienced investors, deal selection bias and political pressures regarding investment decisions are eliminated. Finally, by largely avoiding the time-intensive pre-seed stage and deal selection process, the Co-Investment Fund will be able to minimize fund management fees, which will result in higher investor returns.

At the Seed stage the fund will invest \$1 for every \$1 to \$3 of external funds up to \$250k. For Series A and Series B the fund will invest \$1 for every \$1 to \$3 of external funds up to \$500k. The majority of the Co-Investment Fund's capital is expected to be deployed at the Series A and Series B stages.

Key Personnel Leslie Lynn Smith, President & CEO, a nationally recognized entrepreneurial and business development leader, joined Epicenter in Memphis as its first President and CEO in 2015. Smith's role came after five years of successful entrepreneurial leadership as President and CEO of TechTown, Detroit's most established business incubator and accelerator. Under Smith's leadership, TechTown created and launched novel urban economic development programs, expanded tech-based company creation and launched robust regional entrepreneurship collaborations with great and measurable impact. Previously, Smith was director of business acceleration for the Michigan Economic Development Corporation, overseeing the state's \$300 million start-up investment portfolio and managing the statewide innovation economy and its network of ecosystem partners, including 15 research universities, incubators, accelerators and the philanthropic and private sectors.

Jessica Taveau, Chief Brand Officer, drives external brand and communications strategy and execution for Epicenter, including marketing initiatives, stakeholder engagement, media relations, digital presence, and events, as well as develops high-profile executive communications, presentations, and messaging for Epicenter President and CEO. She also manages and develops relationships with a wide array of economic development, government, corporate, and academic partners. Taveau has also managed media relations and crisis communications for the educational and research operations of an academic campus, legislative and executive communications for Medical Center leadership, internal communications campaigns, and held public relations account service positions at several marketing communications agencies.

Anthony Young, Capital Executive-in-Residence(EIR), joined Epicenter after serving as Economic Development Director at River City Capital, an affiliate of Community LIFT, where he led the organization's strategies to support economic development in distressed Memphis neighborhoods. He has an extensive background in commercial lending, cash flow analysis and strategic management. Young worked in banking for 10 years, exiting as a Branch Manager for Regions Bank, where he received the Chairman's Club award, the bank's highest honor.

Every dollar requested from the EDA and other grant sources is leveraged by the contributed value from our key personnel, who will invest hundreds of hours, ensuring the smooth launch and scale of both Funds. The President & CEO will assume the majority of recruitment of investors for both Funds. Currently, Epicenter's President & CEO spends approximately 40% of her time on fundraising efforts already underway, focused on the accredited investors, local and national private foundations, state and local government investments, and identification and education of new angel investors. Although an exact number is difficult to estimate, similar experiences in project development, and the previous two years of intensive fundraising indicate each executive will spend a minimum of 10% of their full-time hours in a combination of tasks related to support of management, oversight, recruitment, and evaluation. Both the Chief Brand Officer and the Capital EIR are valued at 10%; the President & CEO is included at a conservative 25% of her time. At a blended salary rate of \$98, in-kind salary contributions to the MRCC total \$88,200/year, for a three-year total of \$264,600. Epicenter has experienced significant success in its early fundraising efforts, with a two-year total of \$47million in commitments. Launching these two Funds constitutes Epicenter's highest corporate priority. With commitment,

concentration, and executive skills and talents, Epicenter will execute maximum influence and advantage in scaling the Formation and Co-Investment Funds.

The Investment Committee is comprised of six financially sophisticated and experienced members: Meg Crosby, Principal of People Cap Advisors; Edward Dobbs, President of Dobbs Management Service; Andrew Seamons, Managing Partner of Pittco Capital Partners/Chief Investment Officer for Pittco Management; Frank Smith, former hedge fund manager, current local entrepreneur and philanthropist; Floyd Tyler, President, Founder and CIO of Preserver Partners; and David Waddell, President, CEO and Chief Investment Strategist of Waddell & Associates.

Essential Partners - AgLaunch attracts, creates, and grows agtech startups, facilitates the development of new agriculture and food value-chains, and builds collaborative farmer networks in the Mid-South, with a commitment to intentional inclusion. AgLaunch will also add value to regional research, help universities attract additional public and private funding partners, and serve as a magnet for recruiting established agricultural firms.

Innova (contractor) is an early stage venture capital firm founded in 2007 with \$68 million under management in four funds. Initially started by the Memphis Bioworks Foundation, Innova has a long history of successful early-stage investments in Medical devices and life sciences. Innova is currently raising its fifth fund which will focus on Series A and B funding, leaving a gap in the Memphis market that the Formation Fund and Co-Investment Fund will fill. The most recent \$31 million fund was established in 2018 and is an RBIC (Rural Business Investment Corp) which was approved by the US Department of Agriculture. This fund was supported by eight Farm Credit Banks and Associations.

Start Co. (contractor) is a venture development organization that originated with the mission to grow the jobs of tomorrow in Memphis through the building and accelerating of early stage startup technology companies. Start Co is the managing entity for both the collaborative Summer of Acceleration, which coalesces up to seven different industry accelerators, but also the 365-year round programming designed to incubate later-stage businesses that demonstrate significant business potential.

Essential Ecosystem Partners - The City of Memphis Office of Business Diversity and Compliance (OBDC) is dedicated to increasing the number of M/W/SBEs certified with the City of Memphis and assist with strengthening companies so that they might better compete for opportunity in the City of Memphis. Other government partners include the State of Tennessee ECD, Department of Agriculture, and Launch Tennessee. Federal resources in the Memphis region include the recent SBA Regional Innovation Cluster services, as well as ongoing support from the SBA offices, the Memphis Area Association of Governments and Delta Regional Authority, and other federally-funded initiatives (University of TN Proof-of-Concept under the 2017 RIS i6; NIH funding for St Jude Children's Research Center, University of TN, University of Memphis for industry innovation; Department of Transportation funding for logistics projects).

Corporate partners are equally critical to the ecosystem. ServiceMaster sponsors the Home Services industry vertical in the Summer of Acceleration and incubates emerging tech businesses. Related industry organizations, such as the Medical Device Manufacturers Council, have contributed industry connections for STEM programs and introductions, in addition to their sponsorship of a new regional Training Center. In a city known for its generosity, Memphis has benefited from the extraordinary gifts and investments from local

philanthropy: a large local Anonymous foundation, as well as the Hyde Family Foundations, built by Pitt Hyde, founder of AutoZone.

Outreach & Engagement - Epicenter is specifically seeking opportunities to leverage its existing expertise and connections to capital, as well as other ecosystem resources. Epicenter stands in a unique position, as the regional hub for entrepreneurship, building on a history of business acceleration, entrepreneurship services, commitment to inclusion and collaboration, and increasing capital sources. The EDA Seed Fund Support will reinforce these strengths, and broaden the competitive advantages across targeted industry clusters. Key success factors for the Funds' success will be the outreach and recruitment that Epicenter employs to attract and retain companies with creative and business potential that will mushroom into an exciting and sustainable economic base.

Outreach and engagement will be managed by the CEO, Leslie Smith. Key personnel, Capital Executive in Residence, and the Chief Brand Officer will report to her, as well as the SFS contractors, Innova and other accelerator partners. Company recruitment will be conducted on a year-round basis for both emerging companies and later-stage companies. The focus will compliment emphasis on the targeted industry clusters, engaging high-potential companies in the logistics, medical device, food and agriculture, emerging tech and home services sectors. These industries facilitate, if not ensure, effective recruitment.

In the Memphis region, Epicenter will market the expertise, access to customers, and growing capital for participating companies. The industry experts (see Technical Resources list in attachments) will provide a strong backbone for the recruiting efforts. They will use their professional connections to attract new businesses, and the access and relationships with established companies as the pathway to customers. Having the capital funds built on investors who are seeking innovation and extraordinary returns in these specific industries is an exceptional opportunity. Not only will emerging and young companies be heard, they will be understood, validated, and appropriately valued. These clusters will generate excitement within the industries at every level, particularly with the strong marketing of specific company pitches (in the Summer of Acceleration and ImagineU Demo Days, StartQ, Davos on the Delta, and others). These events increase local, state, regional, national and even international outreach, as they leverage recruitment and targeted activities from all the partners in the ecosystem.

Outside of events, Epicenter and its ecosystem partners encourage other levels of creative collisions, by supporting coworking and colocation of companies at every stage of development. Epicenter and partners also offer the benefits of this geography on a year-round basis, with ample on-going post-acceleration support. And, the focus on developing, qualifying, and presenting companies as market makers for the corporations in the clusters will help build revenues and increase sustainability.

The Chief Brand Officer (CBO) uses marketing and media to connect with alumni from accelerators, faculty with tech transfer opportunities, partner referrals, online outreach and applications, and entrepreneurship-specific websites, including advertisements via Facebook, and other memberships. The CBO will also reach sources nationwide, with personal visits and recognized outreach events. Social media and university recruitment have proven particularly effective in past years, and will continue.

Scope of Work - The creation of both the Formation and Co-Investment Funds for the Memphis Region Capital Capacity (MRCC) responds to a need identified by Epicenter's ongoing, holistic evaluation of assets in the entrepreneurial ecosystem. The core objectives of the MRCC are to (1) actively recruit and retain

companies and investors aligned with Memphis' core industry clusters, and to (2) fill the funnel of deal flow in Memphis. These objectives are intrinsically and fundamentally linked, and any effort to strengthen the outcomes under one objective necessarily strengthen the outcomes of the other. As inclusion is a central tenet of all Epicenter activities, there is a constant commitment to ensure the demographics within the ecosystem reflect those of the people living in the City and region.

1. Actively recruit and retain companies and investors aligned with Memphis' core industry clusters. Key activities that support this objective include activating more angels, encouraging momentum in the entrepreneurial movement in Memphis, and intentionally working to change public perception of Memphis' investment-worthiness, locally and nationally. Epicenter will work with Innova, Entrepreneurs-in-Residence (EIRs), other ecosystem partners, and industry cluster leaders to accomplish these ends. (A sample of 2018's technical experts is attached.) Memphis has a burgeoning angel network, which Epicenter strongly supports by hosting angel dinners, angel education seminars, and other networking events. Epicenter will invite investors to participate in portfolio supporting events, like the annual Demo Day, a capstone event and pitch competition culminating at the end of the summer-long, multi-accelerator "Summer of Acceleration." Finally, Epicenter will continue to uplift critical exemplars of investors and entrepreneurs through storytelling.

2. Fill the funnel of deal flow in Memphis - Key activities that support this objective include syndicating more deals, targeted recruitment efforts along Memphis' industry clusters, portfolio management, and commercializing tech out of local universities. In order to recruit along industry clusters, the CEO and recruitment partners will travel to key conferences and related events to meet with emerging talent, technologies, and potential investors. Epicenter will also utilize EIRs to commercialize tech out of local universities, such as the University of Tennessee.

Project Timeline -The MRCC begins September 2019, and concludes August 2022. In those three years, Epicenter will scale both Funds, resulting in meeting the metrics outlined below, and resulting in a more highly charged investment environment in the Memphis region, Memphis companies attracting dollars from national investors, and educated, accredited and experienced investors in MRCC Funds. There are seven key milestones:

- *Formation Fund closes first target round of \$2.5 million - by January 2020.
- *Formation Fund invests \$500,000 in startups in Memphis-based accelerators - by June 2020.
- *Epicenter will have closed \$5M to complete its Formation Fund - by December 2020.
- *Co-Investment Fund closes first round of \$10 million - by December 2019.
- *Epicenter will have closed \$20M to complete its Co-Investment Fund- by December 2020.
- *Co-Investment Fund invests first \$4 million in Memphis-based companies - by June 2021.
- *At least one MRCC company successfully pursues Series A/B funding - by January 2022.

One of the conditions for companies receiving funding from Epicenter is cooperation in data collection, reporting and required documentation. Many of the measurements of outputs and outcomes will be based on company data, and confirmed by (copies of) legal documents, including completed due diligence documents, and contracted pilot/partnership agreements between companies and customers. Other measurements will be originated and kept by Epicenter, as legally required and indicators of good business/audit practice. For each funded company, Epicenter will have permanent records of specific invested dollar amounts and receipt dates, registration or plans for Series A and Series B funding; and legal records of any exits, whether positive or negative. All of these measurements will be reported to the Investment Committee, investors in the Funds, and in regular Epicenter Impact Reports.

Internal measurements will also be conducted (by the Director of Collective Impact) and monitored by Epicenter's President and CEO, in addition to senior staff: program completion by graduate companies; performance reports delivered by Executives/Entrepreneurs in Residence; company location and address records; attendance, post-programming surveys, and evaluations conducted by banking partners; companies in Epicenter's Portfolio; program impact surveys to the entrepreneurs, including reports of hiring.

Output Metrics	8/30/22	8/30/24	8/30/29
Identification of companies for investment (c)	50	75	95
Companies accelerated or incubated by Epicenter (c)	45	75	75
Performance hours of EIRs (c)	3,000	5,000	10,000
Capital-readiness workshops provided by Epicenter (a)	20	25	25
Outcome Metrics			
Amount of Epicenter equity investments (c)	\$7M	\$14M	\$20M
Funds-supported companies (c)	50	75	95
% supported companies hiring or retaining minimum 1 non-founder employee (a)	30%	30%	30%
Minimum +50 Net Promoter Score (a)	yes	yes	yes
% supported companies pursuing Series A (c)	4	10	15
% supported companies pursuing Series B (c)	1	4	11
Number positive exits (c)	0	1	8

(c) = cumulative, (a) = annually. Numbers represent ongoing companies, not failed ones.

Impact The impacts of successfully deploying capital from the Formation Fund and Co-Investment Fund are significant. Critical to Memphis' overall success as a regional economy is its ability to foster job creation and growth on the level with national trends, as well as its ability to support, scale, and exit tech companies along the region's core industry clusters.

All of Epicenter's investments expect a 3x return from other venture capital sources. Access to Co-Investment Fund dollars not only increases the likelihood that Memphis entrepreneurs stay in Memphis, but provides a de-risked opportunity for national investors to put money into Memphis companies. Simply, the Co-Investment Fund not only delivers on a critical need for later-stage capital, but attracts further capital by existing. Finally, through deploying capital through the Formation and Co-Investment Funds in alignment with a broader entrepreneurship ecosystem, Epicenter is investing not only in Memphis' companies, but in the growth of Memphis' economy. By retaining and growing companies, the Funds provide a return on investment for angels and venture capital firms, encouraging them to invest again. Furthermore, these companies will continue to grow innovative, high-growth companies and create jobs for Memphians.

Sustainability Plan - Identifying and creating a pipeline of investable companies could be a challenge: specifically, identifying investable companies across all clusters, and identifying investable companies led by minorities and/or women. Epicenter is mitigating this risk by focusing on the targeted industry clusters, where there are documented needs, opportunities, and significant pull for companies outside of Memphis. In addition,

Epicenter continues to implement programs, services, and relationships that enhance its commitment to inclusion. The 800 Initiative is one current example of ensuring inclusion, given its focus on black entrepreneurs.

There is also the challenge of measuring and tracking investment data, such as ROI. From an expertise and software standpoint, tracking the performance of the funds could be beyond current capacity. Epicenter is currently developing custom tracking software to ensure all performance indicators are captured. This should ease data collection and analysis of multiple factors that reflect economic and social returns. Ecosystem partner, Innova, along with Epicenter's Capital Executive in Residence, and the Director of Collective Impact are examining options for accurate and comprehensive measurement of returns.

The Epicenter strategy requires raising \$100M to execute its 10-year-plan to use entrepreneurship as a catalyst for economic development in Memphis. The funding is raised to be deployed over a decade from three distinct buckets (programs 40%, capital 45%, infrastructure 15%). Thus far, Epicenter has obtained commitments of \$47.5M to support its work over the first 4-6 years of activation. Of the funds raised, approximately \$25M sits in the capital stack and represent dollars that flow directly to entrepreneurs in the form of non-dilutive investments, loans and equity investments. The remaining \$22.5M is committed over time to fuel ecosystem programs and infrastructure to grow the entrepreneurial movement in Memphis sustainably over time. All dollars are aggressively leveraged bringing at least \$3 of investment to every commitment made, thus over time we can expect the \$100 million spend to attract an additional \$300-500 million worth of investments in the system.

This \$300K from EDA will fulfill a segment of that goal and be leveraged against capital that has already been committed. Epicenter is built as a supernova designed to shrink in size over time (and ultimately disappearing) as the Memphis entrepreneurship ecosystem becomes self-sustaining.

Fund Information

	Formation Fund	Co-Investment Fund
Activation date	5/2019	12/2019
Fund size	\$5M	\$20-25M
Capital deployed to date	\$0	\$0
Historical performance	n.a.	n.a.
Management fees	0%	0%
Carry	0%	0%
Stage	pre-Seed	Seed, Series A, Series B

The MRCC will invest in startup companies in the Greater Memphis MSA that align with the industrial strengths of Food and Agriculture, Medical Device, Transportation Distribution Logistics, and Emerging Technology. The MRCC expects to make its initial investments in the first 5 years, after which only follow-on investments will be made. The expected term of the MRCC is 10-12 years. Epicenter will raise a similar fund every five years, deploying approximately \$6M per year once each reaches steady-state.



Mr. Craig Buerstatte
Acting Director, Office of Innovation
and Entrepreneurship
Regional Innovation Strategies

Re: Epicenter - 2019 EDA SFS Proposal

Greetings, Acting Director Buerstatte,

StartCo and Innova would like to express their support of Epicenter's Memphis Region Capital Capacity (MRCC) proposal to the EDA's SFS 2019 Grant Competition. Epicenter, StartCo and Innova have consistently worked together to identify and address the needs of area entrepreneurs - access to diverse capital is a consistent need among the companies we collectively serve.

Investing in and retaining high-growth, innovative companies within the existing regional industry clusters (Food and Agriculture, Transportation, Distribution and Logistics, Life Sciences, Emerging Tech) is a critical strategy in the growth of our regional economy. We are committed not only to the recruitment of innovative companies to the Memphis area, but to the retention of these companies through portfolio management, connection to customers, and ongoing capital support. Additionally, we are Epicenter's partners in changing investment behavior. Alongside Epicenter, we will work to magnify the impact of our investments by continuing to encourage investors to take more risks, more often.

The collaborations between StartCo, Innova and Epicenter have already yielded many successes, including the development of the Formation and Co-Investment Funds, which provide a critical piece of the continuum of capital, effectively de-risking later-stage investments and encouraging risk-taking behavior.

Providing a continuum of capital is only possible and relevant if the programs and opportunities for investment are strong. The start-up economy is best supported if we're all working together to ensure that start-ups have access to the programs, capital, customers and people they need to be successful. StartCo and Innova fully commit to this ongoing strategic collaboration and mutual support of the start-up economy alongside Epicenter.

We have complete confidence in Epicenter's ability to successfully execute the capital programming outlined in their proposal, and encourage you to fully consider the MRCC project.

Sincerely,

Jan Bouten
Partner, Innova Memphis

04/01/2019

Andre Fowlkes
President, StartCo

04/03/2019

TITLE	EDA - a support letter from you
FILE NAME	StartCo_Innova Letter - EDA.pdf
DOCUMENT ID	08aa27c0cbfb8713a219e696b8494a5fe7471ee0
STATUS	● Completed

Document History



SENT

04/01/2019
16:53:50 UTC

Sent for signature to Andre Fowlkes (andre@neverstop.co) and Jan Bouten (jbouten@innovamemphis.com) from louisa@epicentermemphis.org
IP: 50.252.170.177



VIEWED

04/01/2019
19:40:48 UTC

Viewed by Jan Bouten (jbouten@innovamemphis.com)
IP: 50.252.170.177



SIGNED

04/01/2019
19:41:35 UTC

Signed by Jan Bouten (jbouten@innovamemphis.com)
IP: 50.252.170.177



VIEWED

04/03/2019
22:26:34 UTC

Viewed by Andre Fowlkes (andre@neverstop.co)
IP: 107.77.195.188



SIGNED

04/03/2019
22:27:13 UTC

Signed by Andre Fowlkes (andre@neverstop.co)
IP: 107.77.195.188



COMPLETED

04/03/2019
22:27:13 UTC

The document has been completed.

SELECTED 2018 EXAMPLES OF TECHNICAL & RECRUITMENT RESOURCES

Bill Ganus -an entrepreneur, investor, and development consultant has opened and advised businesses in food and beverage, health and fitness, commercial real estate, media, and tech industries. After a B.S. in Biochemistry, he lived and worked in China for years before completing his graduate degrees in Organic Chemistry at the University of Memphis. His published research focused on the development and applications of nanoscale organic polymers with customizable size and porosity. His passion for research commercialization led him to a global chemical manufacturing company, where he spent 5 years in research and development then worked his way through sales to become the company's senior sales executive before leaving the company to pursue entrepreneurship endeavors.

Christopher Lee -Funded and launched Think Inspired, an integrated marketing and print management services firm that focuses on Multicultural Marketing nuances to high growth potential companies. Established alliances with billion dollar, international integrated marketing and advertising services firm to target specific market segments. Launched The CEL Group, LLC, consulting and private equity participation firm to foster the capitalization and launch of a select, diversified portfolio of seed stage business enterprises. Holdings in technology, hospitality, business services and apparel industries. Member of new venture development team in the successful launch of Worldwide Label &Packaging, a subsidiary of Worldwide Business Group, Inc.; a manufacturer of flexographic label and packaging products. Shared responsibility for the business plan development, which led to initial round funding in excess of \$1.7 million dollars.

Margaret Wallace Oldham - Principal, MW Oldham Consulting, since 2016; working with innovators at AgLaunch and Indigo Ag. Consult, design and implement training and personal development programs/activities. Beck Ag, Inc. Inc.: more than a decade in Experiential Learning; growing Beck Ag's virtual training model to meet the needs of clients while continuing responsibility for BeckAgConnects.com and client development; brought innovative solutions that improved Beck Ag internal processes and solutions for clients, including the creation and leadership of BeckAgConnects.com to grow secure online community for ag professionals to a 40,000 member community.

Kyle Wild - Start Co. Entrepreneur In Residence. Keen Co-founder & CEO (acquired by Scaleworks) FableLabs-Game Designer / Senior Engineer / Jack of all Trades.

Clifford F. Lynch - in the logistics industry for more than five decades: The Quaker Oats Company for 29 years, the last 13 of those as Vice President – Logistics. Formerly, president of Trammell Crow Distribution Corporation; provided management advisory services in logistics for more than 20 years. Now an adjunct professor at the University of Memphis, a frequent lecturer at other colleges and universities and an author of hundreds of articles on the subject of logistics, two books on logistics outsourcing and one on transportation in the supply chain; a regular columnist for DC Velocity Magazine; authored a cookbook entitled The Gourmet Logistician (An Oxymoron).

Wallace E. Puckett, Ph.D. Senior VP R&D/General Manager-Drives sustainable performance improvements by balancing business, technology, and customer needs to produce client-focused solutions that boost satisfaction and ROI. Creative, forward thinking, strategic leader of R&D organizations; project manager of high-value deliverables across diverse industries with bottom-line focus. Directed product development efforts in ear, nose and throat surgical devices, permanent and temporary implants, and advanced post-surgical accessories (biomaterials, combination products).

Project Narrative File(s)

*** Mandatory Project Narrative File Filename:**

To add more Project Narrative File attachments, please use the attachment buttons below.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 14 2017

VIBRANT MEMPHIS INC
C/O LESLIE LYNN SMITH
902 COOPER ST
MEMPHIS, TN 38104

Employer Identification Number:
82-0904035
DLN:
17053107301047
Contact Person:
HAROLD J FODOR ID# 31675
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
February 13, 2017
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 947

VIBRANT MEMPHIS INC

Sincerely,

Stephen A. Martin

Director, Exempt Organizations
Rulings and Agreements

Letter 947



Fayre Crossley <fayre@epicentermemphis.org>

DUNS Update: 037257812 (Vibrant Memphis Inc) Case#20320512 [ref:_00D306len._5000c1VGEA2:ref]

1 message

Government <government@dnb.com>

Tue, Feb 6, 2018 at 9:57 AM

To: "fayre@epicentermemphis.org" <fayre@epicentermemphis.org>



PLEASE DO NOT REPLY TO THIS EMAIL

D&B has fulfilled your update request. Your D-U-N-S number is **037257812**.

For SAM registration, please enter your business name and address as follows:

Legal Business Name:**Vibrant Memphis Inc**
DBA Epicenter**Address Line 1:****902 S COOPER STREET**
MEMPHIS TN 38104**YOU MUST WAIT AT LEAST 24-48 BUSINESS HOURS BEFORE USING THIS DUNS NUMBER, ESPECIALLY IF YOU ARE GOING TO REGISTER IN SAM.**For SAM registration questions, please contact the **SAM Help Desk**: www.fsd.gov or call 1?866?606?8220

Steps for System for Award Management (SAM) Registrations:

1. Go to www.sam.gov.
2. Create a Personal Account and Login.

3. Click "**Register New Entity**" under "**Register/Update Entity**" on your "My SAM" page.
4. Review Registration Overview and click "**Start Registration**"
5. Select the type of Entity (typically "Business or Organization")
6. Select "**Yes**" for "Do you wish to bid on contracts? Then Click "**Next**"
7. Confirm Purpose and Click "**Next**"
8. Complete "Core Data" as follows:
 - a. Validate your DUNS information.
 - b. Enter Business Information (TIN and so on).
 - c. Enter the CAGE code if you have one. If not, one will be assigned to you after your registration is completed. Foreign registrants must enter an NCAGE code.
 - d. Enter General Information (business types, organization structure, etc.).
 - e. Financial Information (Electronic Funds Transfer (EFT) Information).
 - f. Executive Compensation.
 - g. Proceedings Details.
9. Complete "Assertions" as follows:
 - a. Goods and Services (NAICS, PSC, etc.).
 - b. Size Metrics.
 - c. EDI Information.
 - d. Disaster Relief Information.
10. Complete "Representations and Certifications" as follows:
 - a. FAR Responses.
 - b. Architect-Engineer Responses.
 - c. DFARS Responses.
11. Complete "Points of Contact".

Your entity registration should become 3-5 days **after** the IRS validates your TIN information.

You need your entity's TIN and taxpayer name (as it appears on your last tax return). Foreign entities that do not pay employees within the U.S. do not need to provide a TIN. (A TIN is an Employer Identification Number (EIN) assigned by the IRS)

Sole proprietors may use their Social Security Number (SSN) assigned by the Social Security Administration (SSA) if they do not have a TIN, but please be advised that it will not be treated as "privacy act" data in SAM.

To obtain an EIN visit: www.irs.gov/businesses/small/article/0,,id=102767,00.html. Activating a new EIN with the IRS takes 2-5 weeks.

You may receive a customer service survey in your e-mail. Please take a moment to provide your feedback.

Sincerely,

D&B Government Customer Response Center

ref:_00D306len._5000c1VGEA2:ref



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Vibrant Memphis, Inc.
902 S COOPER ST
MEMPHIS, TN 38104-5603

February 13, 2017

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000888535	Formation Locale: TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed: 02/13/2017
Filing Date:	02/13/2017 12:10 PM	Fiscal Year Close: 12
Status:	Active	Annual Report Due: 04/01/2018
Duration Term:	Perpetual	Image # : B0333-7506
Public/Mutual Benefit:	Public	
Business County:	SHELBY COUNTY	

Document Receipt

Receipt # : 003114769	Filing Fee:	\$100.00
Payment-Check/MO - HARRIS SHELTON HANOVER WALSH PLLC , MEMPHIS, TN		\$100.00

Registered Agent Address:
TONDA THOMAS
902 S COOPER ST
MEMPHIS, TN 38104-5603

Principal Address:
902 S COOPER ST
MEMPHIS, TN 38104-5603

Congratulations on the successful filing of your **Charter** for **Vibrant Memphis, Inc.** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Processed By: Darlene Baskin


Tre Hargett
Secretary of State

FILED

B0333-7506 02/13/2017 12:10 PM Received by Tennessee Secretary of State Tre Hargett

**CHARTER
OF
VIBRANT MEMPHIS, INC.
A NONPROFIT CORPORATION**

The undersigned natural person, having capacity to contract and acting as the Incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following charter for such corporation:

1. The name of the Corporation is Vibrant Memphis, Inc.
2. The Corporation is a not-for-profit, public benefit corporation, and its duration is perpetual.
3. The street address of the registered office of the corporation is 902 Cooper Street, Memphis, TN 38104, and the initial registered agent for the corporation at that office is Tonda Thomas. The registered office is located in Shelby County, Tennessee.
4. The name, address and zip code of the incorporator is:

William Chad Roberts
Harris Shelton Hanover Walsh, PLLC
999 S. Shady Grove Road, Suite 300
Memphis, TN 38120
5. The street address of the initial principal office of the corporation is 902 Cooper Street, Memphis, TN 38104.
6. The corporation will not have members.
7. The corporation is organized exclusively for charitable purposes. The Corporation may make contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or any corresponding provisions of any future United States Revenue Laws (the "Code"), contributions to which are deductible under Section 170(c)(2) of the Code. Notwithstanding any other provisions in this Charter, however, the corporation shall not carry on activities not permitted to be carried on by a corporation exempt under the said Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of said Code. No part of any net earnings of the corporation shall inure to the benefit of any private shareholder or individual; and no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Reasonable compensation may be paid for services rendered and reasonable reimbursement may be made for

expenses incurred on behalf of the Corporation.

8. The governing body of the Corporation shall be a board of directors of not less than three (3) nor more than fifteen (15) persons as set out in the bylaws. The directors shall be chosen, and their terms of office and manner of filling vacancies determined, as set forth in the bylaws.

9. In the event of the dissolution of the corporation and after paying or providing for payment of all liabilities of the corporation, the residual assets of the Corporation shall be distributed to one or more organizations as may be selected by the Corporation's Board of Directors which do so qualify, for exclusively charitable purposes within the meaning of Section 501(c)(3) of the Code or an international or foreign organization of similar character that would otherwise be eligible to qualify as an exempt organization under 501(c)(3) of the Code, contributions to which would otherwise be deductible under Section 170(c)(2) of the Code.

10. As permitted by Section 48-52-102(b)(3) of the Tennessee Code Annotated, the directors of the corporation shall not be liable to the corporation or its member for monetary damages for breach of fiduciary duty as a director of the corporation; provided, however, that this provision shall not eliminate the liability of a director for any breach of the director's duty of loyalty to the corporation, or for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Tennessee Code Annotated relating to unlawful distributions.

Dated: February 10 2017


William Chad Roberts, Incorporator



Lyndsay Boyle, Legal Assistant
lboyle@harrishelton.com
East Memphis Office
(p) 901.682.1455
(f) 901.435.0301

February 10, 2017

Tennessee Secretary of State
Attn: Corporate Filings
312 Rosa L. Parks Avenue
Snodgrass Tower, 6th Floor
Nashville, Tennessee 37243

VIA FEDEX

Re: Vibrant Memphis, Inc., a Nonprofit Corporation

Dear Sir or Madam:

Enclosed for filing in your office is the Charter of Vibrant Memphis, Inc., as well as a check in the amount of \$100.00 (Check No. 61080) in payment of the filing fee.

Please process and return back to me in the enclosed envelope. If you have any questions, please contact me at (901) 682-1455.

Thank you for your assistance regarding this matter.

Yours very truly,
Harris Shelton Hanover Walsh, PLLC


Lyndsay Boyle
Legal Assistant

LKB
Enclosures

DOWNTOWN MEMPHIS

One Commerce Square
40 S. Main Street, Suite 2700
Memphis, Tennessee 38103-2555
ph 901-525-1455
f 901-526-4084

EAST MEMPHIS

999 S. Shady Grove, Suite 300
Memphis, TN 38120-4126
ph 901-682-1455
f 901-682-4446

OXFORD

829 North Lamar Blvd, Suite 2
Oxford, Mississippi 38655
ph 662-234-7447
f 662-234-3776

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Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

FAYRE CROSSLEY
EPICENTER 902 SOUTH COOPER STREET
MEMPHIS, TN 38104

November 26, 2018

Request Type: Certificate of Existence/Authorization
Request #: 0297195

Issuance Date: 11/26/2018
Copies Requested: 1

Document Receipt

Receipt # : 004387321

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3744522298

\$20.00

Regarding: Vibrant Memphis, Inc.

Filing Type: Nonprofit Corporation - Domestic

Formation/Qualification Date: 02/13/2017

Status: Active

Duration Term: Perpetual

Business County: SHELBY COUNTY

Control # : 888535

Date Formed: 02/13/2017

Formation Locale: TENNESSEE

Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Vibrant Memphis, Inc.

* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has filed the most recent annual report required with this office;

* has appointed a registered agent and registered office in this State;

* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 030707319

Budget Narrative File(s)

* **Mandatory Budget Narrative Filename:**

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

To add more Budget Narrative attachments, please use the attachment buttons below.

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)



April 1, 2019

U.S. Department of Commerce
Economic Development Administration
Office of Innovation and Entrepreneurship
Washington, DC

RE: EDA Regional Innovation Strategies Seed Fund Support

To Whom It May Concern:

AgLaunch would like to express its full support for Epicenter's Seed Fund Support proposal to build a fund available to early-stage entrepreneurs. Epicenter's commitment to providing diverse capital sources is critical to growing Memphis's regional industry cluster activities, including around early-stage agtech entrepreneurs.

AgLaunch focuses on furthering ag innovation in the Mid-South Delta region by developing an active network of farmers as partners who assist agtech entrepreneurs and companies. As a designated lead for the Small Business Administration's Regional Innovation Cluster in the Mid-South Delta, we work closely with partners to support and grow entrepreneurs and small businesses focused on agriculture. Epicenter's proposed initiative has the ability to make a significant impact on how innovations in agriculture are developed, funded, and delivered to farmers and entrepreneurs in the region.

We value the partnerships we have developed, particularly those with committed organizations like Epicenter that have taken a comprehensive approach to address a need in their community. By tackling a vitally important issue like access to capital, Epicenter is ensuring that Memphis, and the surrounding region, is able to seize the economic development opportunities available to it through key industry clusters, including agriculture. This proposal is just another example of how Epicenter is dedicated to supporting a thriving and inclusive entrepreneurial environment.

We have complete confidence in Epicenter's ability to develop this fund in collaboration with key area partners, and we encourage you to give its proposal full consideration.

Sincerely,

Pete Nelson

ATTACHMENTS FORM

Instructions: On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

Important: Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

1) Please attach Attachment 1	1235-Vibrant_Memphis_Memphis	Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2	1236-Vibrant_Memphis_Epicente	Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3	1237-Vibrant_Memphis_EDASFS_A	Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4	1238-Vibrant_Memphis_Org_Elig	Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5	1239-Vibrant_Memphis_AgLaunch	Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6	1240-Vibrant_Memphis_Org_Elig	Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7	1241-Vibrant_Memphis_EDASFS_M	Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8	1242-Vibrant_Memphis_2018_Tec	Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9	1243-Vibrant_Memphis_Partners	Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10	1244-Vibrant_Memphis_Jan_20	Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11		Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12		Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13		Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14		Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15		Add Attachment	Delete Attachment	View Attachment

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

OMB Number: 4040-0013

Expiration Date: 02/28/2022

1. * Type of Federal Action: <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. * Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. * Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
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4. Name and Address of Reporting Entity:
☒ Prime ☐ SubAwardee

 * Name

 * Street 1 Street 2

 * City State Zip

 Congressional District, if known:

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

6. * Federal Department/Agency: <input style="width: 450px;" type="text" value="Department of Commerce"/>	7. * Federal Program Name/Description: <input style="width: 450px;" type="text" value="Cluster Grants"/> CFDA Number, if applicable: <input style="width: 100px;" type="text" value="11.020"/>
8. Federal Action Number, if known: <input style="width: 450px;" type="text" value="EDA-HDQ-OIE-2019-2005942"/>	9. Award Amount, if known: \$ <input style="width: 150px;" type="text"/>

10. a. Name and Address of Lobbying Registrant:

 Prefix * First Name Middle Name

 * Last Name Suffix

 * Street 1 Street 2

 * City State Zip

b. Individual Performing Services (including address if different from No. 10a)

 Prefix * First Name Middle Name

 * Last Name Suffix

 * Street 1 Street 2

 * City State Zip

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

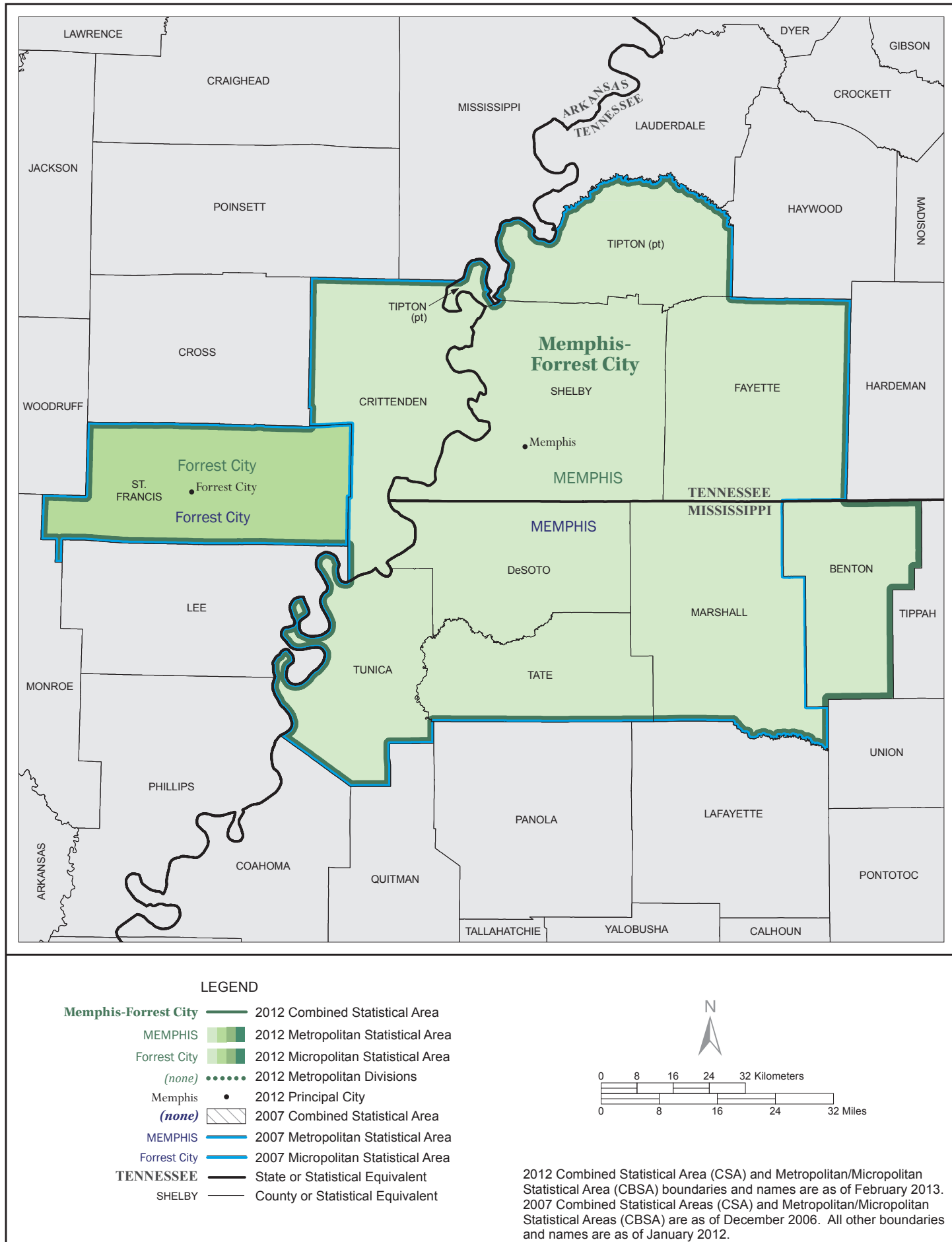
*** Signature:**

*** Name:** Prefix * First Name Middle Name

 * Last Name Suffix

Title: **Telephone No.:** **Date:**

Memphis-Forrest City, TN-MS-AR Combined Statistical Area





JIM STRICKLAND
MAYOR

TENNESSEE

April 1, 2019

Mr. Craig Buerstatte, Acting Director
Office of Innovation
and Entrepreneurship
Regional Innovation Strategies

Re: Epicenter – 2019 EDA SFS Proposal

Dear Director Buerstatte:

The City of Memphis is writing to express enthusiastic support for Epicenter's proposal for the EDA's SFS 2019 Grant Competition. The requested EDA Seed Fund Support will allow Epicenter to recruit innovative, high-growth companies under the umbrella of Memphis' core industry clusters and invest early-stage capital into said companies through their Formation and Co-investment Funds. The availability of ongoing pre-seed and de-risked Series A, B, and C funds helps not only to recruit, but to retain excellent companies which support innovation in our City and provide jobs to Memphians and transplants alike. With your multi-year support, the City of Memphis and Epicenter will see a greater attraction of innovative companies and retention of technologies, jobs, and investors in our local economy.

As a current partner of Epicenter, we believe Epicenter's approach to utilizing entrepreneurship and startups as a catalyst for economic development will have significant positive impact. My administration has identified entrepreneurship support among its highest priorities.

Investing in and retaining high-growth, innovative companies within the existing regional industry clusters (Food and Agriculture, Transportation, Distribution and Logistics, Life Sciences, Emerging Tech) is a critical strategy in the growth of our regional economy. Through our strong partnership, Epicenter's continued investment, and the addition of \$300,000 over three years from the EDA, we believe the City's

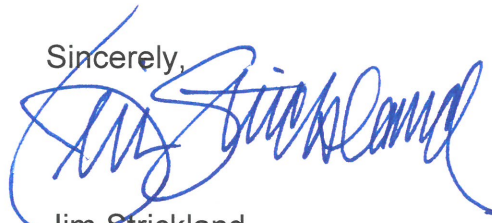
economic focus areas will be supported and continue to trend toward a Memphis that benefits all residents.

By creating targeted resources that meet the unique needs of emerging start-ups, diversifying types of capital and increasing access to capital, we are ultimately developing the talent and growing the opportunities for full participation in business growth in Memphis. Epicenter serves admirably as a change agent and partner in the City's most pressing challenges. We also believe that Epicenter has strategically cultivated a group of strong partners for accomplishing this important work. StartCo, AgLaunch, Innova, the CDFI Network, in addition to a variety of neighborhood organizations, lay the groundwork in collaboration we believe necessary to achieve our goals. Additionally, Memphis has strong existing cluster assets and infrastructure which will support the retention of companies by ensuring an existing customer base.

Finally, we have the utmost confidence in Leslie Lynn Smith's leadership ability. Leslie is a nationally recognized entrepreneurship and business development expert. Her track record for success, commitment to collaboration and leadership acumen make her the right person to lead Epicenter, and uniquely position Epicenter as the strategic hub for entrepreneurship in Memphis.

I ask for your support in unlocking a more equitable and undoubtedly more profitable Memphis startup economy, welcoming innovations among our core industry clusters, fostering continued collaboration, and sustaining these gains through policy development. We believe the EDA Seed Fund Support grant would bring us an exemplary and highly productive partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Strickland", is written over the printed name below.

Jim Strickland
Mayor