TEAM KENTUCKY
CABINET FOR ECONOMIC DEVELOPMENT

CONFIDENTIAL

KENTUCKY INVESTMENT FUND ACT (KIFA)

APPLICATION INSTRUCTIONS **Rev 11/25**

Before completing an application, please review the KIFA Fact Sheet available at https://cedky.com/cdn/1740_KIFA_Fact_Sheet.pdf. The following items MUST be included for the application to be considered complete:

☐ 1. An original copy of the completed and signed application.

☐ 2. All required exhibits as described in the attachment list.

☐ 3. A $2,000 application fee payable to the Kentucky Economic Development Finance Authority (KEDFA)

Applicants should be aware that the following costs are associated with participation in the Kentucky Investment Fund Act program:

a. Application Fee – A $2,000 application fee payable to the Kentucky Economic Development Finance Authority (KEDFA) is required with the application.

b. KEDFA Administrative Fees – A one-time fee equal to 1/10 of 1% of the total *approved* tax credits shall be paid to KEDFA at the time of execution of the KIFA Agreement and prior to its effectiveness. Additionally, an annual fee equal to one tenth (1/10) of one percent (1%) of the fund's *allocated* tax credits shall be paid to KEDFA. The annual fee is due on or before the anniversary date of the fund's approval by KEDFA each year throughout the term of the agreement.

c. Attorney and Accountant Fees – In accordance with KRS 154.20-256(3), the approved fund manager shall pay all expenses of KEDFA in connection with the preparation, execution and delivery of the Investment Agreement and any other documents which may be delivered in connection with the Investment Agreement. Such fees may include, without limitation, the fees and expenses of counsel for the KEDFA, and all costs and expenses, if any, in connection with the enforcement of the Agreement, including but not limited to audit and accounting fees and expenses of both KEDFA and the Revenue Cabinet.

Mail the completed application and required attachments to:

Kentucky Cabinet for Economic Development
Department for Financial Services
Mayo-Underwood Bldg
500 Mero Street, 5th Floor
Frankfort, KY 40601

CONFIDENTIAL APPLICATION FOR
KENTUCKY INVESTMENT FUND ACT (KIFA)
TAX CREDIT PROGRAM

INVESTMENT FUND INFORMATION

____
Name of Investment Fund

____________________ ____________________
Federal Tax Identification Number | KEIN Number

____
Street Address

____________________ ____________________
P.O. Box | City

____________________ __________ __________
County | State | Zip Code

________________ ________________
Telephone | Email

Is this the fund’s primary office?

If not, what is the primary office address?____________________________
(*Any investment fund approved under KIFA must have an office in Kentucky*.)

____________________ ____________________
Minimum Fund Size | Maximum Fund Size

____________________* ____________________
Committed Cash Contributions to Investment Fund (*Signed evidence of contributions must be provided per Exhibit A*)

Maximum Tax Credit Requested (cannot exceed $1,000,000)

* (*Must be greater than $500,000 prior to the award of any tax credits*.)

INVESTMENT FUND MANAGER INFORMATION

Name

Street Address | P.O. Box

City | State | Zip Code

Telephone | Fax | Email

Is this the fund manager's primary office?

If not, what is the primary office address?______________________________

Federal Tax Identification Number or Social Security Number ____________________

Have you ever been charged with a violation of federal or state securities laws?
☐ No ☐ Yes (*If yes, please explain - add attachment if necessary*)

State the exemption or registration that is intended to be relied upon by the investment fund and the investment fund manager to permit an offering of securities and the activity of the investment fund manager in relation to the offering in compliance with applicable state and federal securities laws and regulations.

CONTACT INFORMATION (If Investment Fund Manager is an entity)

☐Mr. ☐Ms. First Name | Last Name

Street Address | P.O. Box

City | State | Zip Code

Telephone | Fax | Email

BANK ACCOUNT INFORMATION

____
Name of Financial Institution

____
Account Number

Street Address | P.O. Box

City | State | Zip Code

Telephone | Email

INVESTMENT FUND LEGAL COUNSEL INFORMATION

Name of Counsel to the Investment Fund

Street Address | P.O. Box

City | State | Zip Code

Telephone | Fax | Email

SECURITIES LAW EXPERIENCE OF COUNSEL

Please provide an attachment (Exhibit B) addressing counsel’s experience with respect to private placements, public offerings, periodic reporting compliance, Investment Company Act of 1940, Investment Advisors Act of 1940 and other relevant state and federal securities issues.

☐ Attached

OTHER ADVISORS OR CONSULTANTS

Please provide an attachment (Exhibit C) listing other advisors or consultants, including the name of the entity, contact person, address and telephone and fax numbers for each.

☐ Attached ☐ N/A

CERTIFICATION OF APPLICANT

I, ______________________________ hereby represent and certify that the foregoing application, including all attachments, to the best of my knowledge, is true, complete and accurate. Additionally, I represent and certify that I have been authorized to make the foregoing representations and certifications on behalf of the Investment Fund.

The undersigned acknowledges that even though the information contained in this application, or which may hereafter be communicated to KEDFA, contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law regarding any request made pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky revised statutes. Notwithstanding the above, except as otherwise agreed to by applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (as determined by the KEDFA, the Kentucky Attorney General, or Court of competent jurisdiction)

The undersigned also acknowledges that KEDFA may request a criminal background check of the Investment Fund Manager or its representative. KEDFA may also request verification of the bank account information as reported herein.

______________________________ ______________________________

Name (printed or typed) Title (printed or typed)

______________________________ ______________________________

Signature Date

ATTACHMENT CHECKLIST

The following attachments are required to be included with and a part of the application.

☐ **EXHIBIT A: INVESTOR INFORMATION (includes verification of investment)**

☐ **EXHIBIT B: SECURITIES LAW EXPERIENCE OF COUNSEL**

☐ **EXHIBIT C: OTHER ADVISORS OR CONSULTANTS (if applicable)**

☐ **EXHIBIT D: CERTIFICATION OF COMPLIANCE WITH STATE AND FEDERAL SECURITIES LAWS AND REGULATIONS RELATING TO THE KENTUCKY INVESTMENT FUND ACT TAX CREDIT PROGRAM**

☐ **EXHIBIT E: CABINET FOR ECONOMIC DEVELOPMENT INCENTIVE DISCLOSURE STATEMENT**

Note: The Exhibits required below may be provided either by directly responding to each question or by providing a disclosure document (distributed to potential fund investors) which contains the following information.

☐ **EXHIBIT F: EXPERIENCE OF FUND MANAGER**

The experience of the Fund Manager shall address the following points:

- The relevant experience of the applicant or the applicant's management.
- The demonstrated ability of the applicant or the applicant's management to manage the proposed investment fund.
- Evidence of the fund manager's ability to generate profitable investments.
- The fund manager's track record of investing in Kentucky companies.
- The fund manager's existing investment portfolio or past investment portfolio, including performance data.

☐ **EXHIBIT G: BUSINESS PLAN**

The business plan shall include, but not be limited to:

- Strategy for operation of the proposed investment fund.
- Maximum amount of cash contributions to be solicited for the fund.
- Schedule for funds to be raised.
- Schedule for investments to be made in Kentucky small businesses.
- Fees charged by the fund or its manager.
- What controls will the manager exert over the companies in which investments are made?

- To what extent will the fund manager provide other services to the companies in which it invests?
- Strategy for investment of funds:
- Specific types of small businesses to be targeted by the fund.
- The applicant's experience in dealing with those types of companies.
- How does the manager find investment opportunities?
- What geographic region and/or region of Kentucky, if any, does the plan intend to focus on?

☐ **EXHIBIT H: DISCLOSURE TO INVESTORS**

Please provide a copy of the applicant's proposed disclosure to investors regarding the tax credits available pursuant to KRS 154.20-250 to 154.20-284, which shall include, but not be limited to, the disclosures described in KRS 154.20-256. Also include as a part of this exhibit any other general disclosure documents to be used in connection with the offering and investment in the investment fund.

☐ **EXHIBIT I: DISCLOSURE OF REGISTERED ADVISOR**

The applicant shall include with this application a signed document by the investor disclosing whether they are a Registered Investment Advisor. (See also KRS 292.330(1).)

☐ **EXHIBIT J: EXEMPTION/REGISTRATION**

The exemption or registration provision that is being relied upon or intended to be relied upon by both the investment fund and the investment fund manager to permit this offering of securities and the activity of the investment fund manager in relation to such offering, in compliance with applicable state and federal securities laws and regulations.

Exhibit A

<u>INVESTOR INFORMATION (*copy this form and complete for each investor or committed investor as of the date of this application*)</u>

- A certified investment fund must have no less than four (4) unaffiliated investors.
- No investor, including closely related family members and affiliates, may have a capital interest in more than 40% of the investment fund's total capitalization.

____
Name of Person/Entity

______________________________ ______________________________
Street Address | P.O. Box

______________________________ ______________ ______________
City | State | Zip Code

______________ ______________ ______________
Telephone | Fax | Email

____
County

Type of Entity Through Which the Investor Conducts Business (check one):

☐ Individual ☐ Corporation ☐ Limited Liability Company
☐ Limited Partnership ☐ Partnership ☐ Business Development Corporation
☐ Sole Proprietorship ☐ Association ☐ Joint Stock Company
☐ Receivership ☐ Trust ☐ Professional Service Organization
☐ Registered Limited Liability Partnership
☐ Insurance Company
☐ Financial Institution
☐ Other ______________________________

____
Federal Tax Identification Number or Social Security Number

____
Amount of Cash Contributions and Committed Cash Contributions to the Fund (signed evidence of the investors' contributions must be provided with this Exhibit)

____
Date of Cash Contributions or Expected Date of First Cash Contributions to the Fund

Exhibit D

CERTIFICATION OF COMPLIANCE WITH STATE AND FEDERAL SECURITIES LAWS AND REGULATIONS RELATING TO THE KENTUCKY INVESTMENT FUND ACT TAX CREDIT PROGRAM

I, ______________________________________, as the applicant or a duly authorized official of the applicant, hereby represent and certify to the Kentucky Economic Development Finance Authority that at the time of filing the application, the applicant, and each of its principals and employees, including the investment fund and investment fund manager, are in compliance with all applicable state and federal securities laws and regulations. I further certify that neither the applicant nor any of its principals or employees

(a) Has filed a registration statement which is the subject of a currently effective stop order entered pursuant to a federal or state law within five (5) years prior to the commencement of the offering;

(b) Has been convicted within five (5) years prior to commencement of the offering of a felony or misdemeanor in connection with the purchase or sale of a security or a felony involving fraud or deceit including forgery, embezzlement, obtaining money under false pretenses, larceny or conspiracy to defraud;

(c) Is currently subject to a federal or state administrative order or judgment entered by that state's securities administrator within five (5) years prior to reliance on this exemption or is subject to a state's administrative order or judgment in which fraud or deceit was found and the order or judgment was entered within five (5) years of the expected offer and sale of a security in reliance upon this exemption;

(d) Is currently subject to a state's administrative order or judgment which prohibits the use of an exemption from registration in connection with the purchase or sale of a security; or

(e) Is subject to an order, judgment or decree of a court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to an order, judgment or decree of a court of competent jurisdiction, entered within five (5) years prior to the commencement of the offering permanently restraining or enjoining the person from engaging in or continuing a conduct or practice in connection with the purchase or sale of a security or involving the making of a false filing with the state.

I acknowledge that the Kentucky Economic Development Finance Authority (KEDFA) may undertake criminal and other investigative searches of the principals of the investment fund and the investment fund manager, but has no obligation to do so. I further acknowledge that it is my responsibility to ensure the applicant, and each of its principals and employees, including the investment fund and investment fund manager, remain in compliance with all applicable state and federal securities laws and regulations for the duration of the applicant's involvement with the Kentucky Investment Fund Act Tax Credit Program.

______________________________	______________________________
Name (printed or typed)	Title (printed or typed)
______________________________	______________________________
Signature	Date

CONFIDENTIAL APPLICATION FOR INCENTIVE PROGRAMS EXHIBIT E - INCENTIVE DISCLOSURE STATEMENT

TEAM KENTUCKY
CABINET FOR ECONOMIC DEVELOPMENT

Company Name

County Where Project will be Located

INSTRUCTIONS: In accordance with the Executive Branch Code of Ethics, Chapter 11A of the Kentucky Revised Statutes ("KRS"), before any board or authority within or attached to the Cabinet for Economic Development ("CED") takes final action on any contract or agreement by which a bond, grant, lease, loan, assessment, incentive, inducement, or tax credit is awarded (the "incentive package"), the beneficiary of the incentive package must file with the approving board or authority a disclosure statement stating: (i) the identity of the beneficiary of the incentive package, (ii) the identity of any person employed to act on behalf of the beneficiary with respect to the incentive package, (iii) the details of any financial transaction (as defined in KRS 11A.201(6)(a), see below) between the beneficiary (or any other person listed in (ii) above) and any agent or public servant of the CED, any member of any board or authority within or attached to that Cabinet, or any other public servant involved in the negotiation of the economic incentive package.
Your application or request will not be processed until this form is filed. CED will file copies of this form with the Executive Branch Ethics Commission pursuant to KRS 11A.233(2).

NOTE: For purposes of KRS 11A.201(6)(a), the definition of "financial transaction" is activity conducted or undertaken for profit, not available to the general public on the same terms, that arises from the joint ownership, the ownership, or part ownership in common of any real or personal property or any commercial or business enterprise of whatever form between:

1) Beneficiary, agent or employee of the beneficiary, and

2) CED agent, employee, member of board or authority attached to CED, or other public servant involved in the negotiation of any incentive package

Beneficiary's Legal Name | Beneficiary is the:

Type(s) of Economic Incentive package(s): Kentucky Investment Fund Act (KIFA)

Please identify all employees or agents of the Beneficiary who have acted on behalf of the Beneficiary in its dealings with the CED or any board or authority within or attached to the CED in regard to the above incentive package:

Name	Title	Organization

Please attach additional listing if more space is needed.

Have any of the employees or agents of the Beneficiary had any "financial transactions" (as defined above) with a CED agent, employee, or a board or agency attached to CED or any other public servant involved in the negotiation of any economic incentive package?

If yes, please detail any "financial transactions" (as defined above) between the Beneficiary (or any other person listed as an employee or agent of the Beneficiary) and (i) any agent or public servant of the CED, (ii) any member of any board or authority within or attached to that Cabinet, or (iii) any other public servant involved in the negotiation of the economic incentive package:

TRANSACTION 1

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

TRANSACTION 2

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

TRANSACTION 3

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

Please attach additional listing if more space is needed.

The undersigned, a duly authorized representative of the Beneficiary listed above, hereby certifies that the information set forth in this Economic Incentive Disclosure Statement has been reviewed, and is true and correct to the best of the knowledge of the undersigned.

Signature

Date