

INCENTIVE AGREEMENT

THIS INCENTIVE AGREEMENT, (“Incentive Agreement”) for a conditionally forgivable loan, dated as of ~~Month day, Year~~ is made by and between:

NOVEMBER 10, 2016

Lexington-Fayette Urban County Government,
an urban county government pursuant to KRS Chapter 67A
200 East Main Street
Lexington, Kentucky 40507 (“LFUCG”)

and

Fooji, Inc.
a Delaware Corporation
257-263 E. Short Street
Ste. 200
Lexington, KY 40507 (“Company”)

Recital

This Incentive Agreement provides for a forgivable loan in the amount of one hundred thousand dollars (\$100,000.00) from LFUCG to the Company pursuant to Ordinance No. 153-2013 and the LFUCG Jobs Fund Program. In order to induce LFUCG to enter into this Incentive Agreement, the Company is willing and desires to make the warranties, covenants, and agreements contained and set forth herein.

SECTION 1 Definitions

As used in this Agreement:

“Accountant” shall mean the certified public accountant or firm of certified public accountants acting as the Company’s accountant.

An “Affiliate” of, or a Person “Affiliated” with, a specified Person, is a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Person specified.

“Activation Date” shall mean the date upon which the Company has met the requirements of and executed the Activation Certificate, attached hereto as Exhibit A and incorporated herein by reference.

“Application” shall mean the Company’s application for funding under LFUCG’s Job Funding Program, which is attached hereto as Exhibit B and incorporated herein by reference.

“Compliance” shall mean the Company maintains the Jobs Requirement and Wage Requirement and otherwise complies with the provisions of this Agreement.

“Disbursement” shall mean the distribution of the Incentive funds by LFUCG to Company;

“Employee” shall mean a Kentucky resident who maintains a permanent, Full-Time Job (as further defined herein) at the Project Site, which shall be located in Fayette County, Kentucky, as opposed a part-time employee or independent contractor.

“Event of Default” shall mean the happening of any one or more of the events which constitute an event of default under Section 5 of this Incentive Agreement.

“Full Time Job” shall mean a job held by a person employed in the capacity provided in the Application (Exhibit B) for a minimum of thirty-five (35) hours per week and subject to the Kentucky Individual Income Tax imposed by KRS 141.020 and the local occupational license fee.

“Incentive” shall mean the \$100,000.00 being loaned to Company by LFUCG under the terms and conditions contained herein.

“Incentive Documents” shall mean this Incentive Agreement, the Application and Exhibits to this Agreement, and all other instruments or agreements related thereto.

“Jobs Requirement” shall have the meaning set forth in Section 3.9 hereof;

“LFUCG” shall mean the Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky created pursuant to KRS chapter 67A.

“Note” shall mean the promissory note attached as Exhibit C to this Agreement, and shall include any renewal, replacement, extension, or notation thereof.

“Person” shall mean any person, firm, trust, corporation, partnership, limited liability company, business organization, or other entity.

“Project” shall mean the Company’s equipping and staffing of a facility within Fayette County, Kentucky as described in Exhibit B.

“Project Site” shall mean the facility located at 257-263 E. Short Street, Ste. 200, Lexington, KY 40507 together with all improvements and fixtures attached thereto.

“Repayment Penalty” shall mean the repayment required in under Section 3.9. of this Agreement.

“Request for Disbursement” shall mean a written request to the LFUCG for a distribution of the Incentive funds, which request shall be submitted in such manner and contain such information as LFUCG may require at the time.

SECTION 2
The Incentive

LFUCG agrees to provide to the Company the Incentive funds in accordance with the terms and conditions of the Incentive Documents, as follows:

2.1 Amount. The principal amount of the Incentive shall be one hundred thousand dollars (**\$100,000.00**), as evidenced by the Note attached hereto as Exhibit C and incorporated herein by reference.

2.2 Interest. Interest shall accrue on the principal amount of the incentive at a rate of one and fifty six hundredths of one percent (1.56%) of the outstanding principal on a per annum basis. LFUCG may, in its sole discretion, increase the interest rate to twelve percent (12%) per annum should an Event of Default occur.

2.3 Disbursement. LFUCG shall distribute the incentive funds to Company in two draws of fifty thousand dollars and zero cents (\$50,000.00). The initial draw shall be made upon activation of the incentive. The subsequent draw of fifty thousand dollars and zero cents (\$50,000.00) shall be made upon the receipt by LFUCG of a properly completed and executed Request for Disbursement, which shall be submitted no less than ten (10) days prior to the date requested for the disbursement, and to which shall be attached documentation verifying that at least two (2) additional employees have been hired since the activation date. LFUCG may require additional documentation evidencing the addition of two (2) employees, in its discretion, before making the second disbursement. Under no circumstances shall any disbursement be made unless and until (i) both parties have executed this Incentive Agreement and all related documents and (ii) the Company is in full compliance with and has satisfied each of the conditions precedent set forth in Section 7 of this Agreement and in each of the other Incentive Documents.

2.4 Interest Payments. Beginning three (3) months from the date of the initial disbursement of incentive funds to Company, and every three (3) months thereafter, Company shall tender payment to LFUCG for a pro rata portion of the interest that has accumulated on the incentive funds loaned hereunder. Company shall make such payments until it has made forty such payments, or until the debt is otherwise discharged under the terms of this agreement.

Beginning one (1) year from the date of the initial disbursement of incentive funds to Company, and every year thereafter, ten percent (10%) of the outstanding original principal debt shall be forgiven if Company has, at all times during the preceding year, fully complied with the terms of this Agreement and satisfied all duties and obligations established hereunder. Should an Event of Default occur, LFUCG

may declare the full remaining principal of the loan immediately due and payable, along with any interest that has accrued, as provided in Section 6.1 of this Agreement.

2.5 Late Charges. If the Company fails to tender any payment within five (5) days after such payment first becomes due, the Company shall pay to LFUCG, in addition to the full amount due, a late charge equal to five percent (5%) of such payment.

SECTION 3 General Covenants

The Company agrees that, until the terms of this Agreement are fulfilled, it shall perform, observe, and comply with each of the following:

3.1 Mergers, Sales, Transfers, Redemptions, and Other Dispositions of Assets, or Dissolution. The Company shall not, without the prior written consent of LFUCG (which consent shall not be unreasonably withheld):

- (a) Liquidate or dissolve or take any action with a view toward liquidation or dissolution;
- (b) Substantially cease its business operations at the Project Site; or
- (c) Enter into any agreement for the assumption of the Incentive by any other Person.
- (d) Undertake a change in majority ownership, management, or control.

3.2 Financial Statements and Business Records. The Company shall keep true and complete financial records prepared with generally accepted accounting principles consistently applied, and keep business records in accordance with good business practices in the industry. Upon LFUCG's request or the request of its Economic Development Investment Board, the Company shall make its business records available to LFUCG for inspection at reasonable times and places of LFUCG's choosing on a confidential basis. During the term of the Incentive, the Company shall furnish to LFUCG annual financial reports prepared by an Accountant in a form satisfactory to LFUCG. With the annual report, the Company shall include a cover letter stating its average annual employment at the Project Site. Insofar as is possible under applicable laws, the financial reports and annual report ("Information") shall be deemed confidential business information and shall be treated by LFUCG as exempt from inspection under the Kentucky Open Records Act as records confidentially disclosed to it under KRS 61.878.

3.3 Designation of Agent. The Company shall at all times have a properly designated agent, who is a resident of or has offices in the Commonwealth of Kentucky,

to accept service of process. The Company shall notify LFUCG of the name and address of such agent and of any change in the name or address of such agent.

3.4 Taxes and Other Obligations. The Company shall pay, as they become due, all taxes, assessments, governmental charges, levies, and any other claims (for example, for labor, materials, or supplies) which, if unpaid, might give rise to a lien or charge upon the Project Site or any other property belonging to the Company, unless the Company is contesting the same in good faith and has posted a bond protecting the same in such form and amount and with such parties as may be approved by LFUCG.

3.5 Use of Incentive Proceeds. The Incentive funds distributed hereunder shall be used exclusively for the purposes described in the Application.

3.6 Properties and Insurance. The Company shall maintain its real property, buildings, and other fixed assets located at the Project Site in good condition, subject only to normal wear and tear, and make all necessary and proper repairs, renewals, and replacements, and shall comply with all material provisions of leases and other material agreements in order to prevent loss or forfeiture. All real property, personal property, or collateral located at the Project Site is and will remain insured against loss during the life of the Incentive. The Company shall provide LFUCG with a copy of the current insurance policy for the building and other fixed assets upon request. Failure to maintain insurance coverage as set forth herein shall constitute an Event of Default as set forth in Section 6 hereof.

3.7 Entity Existence. The Company shall preserve its entity existence as a corporation and shall be and remain qualified to do business in Kentucky and in all states in which it is required to be so qualified or in which the failure to be so qualified would have a material adverse effect on its ability to meet its obligations hereunder.

3.8 Compliance with Law. The Company shall comply in all material respects with all valid and applicable statutes, rules, and regulations of the United States of America, of the States thereof and their counties, municipalities, and other subdivisions, and of any other jurisdiction applicable to it, and the provisions of licenses issued to it, except where non-compliance (a) would not have a material adverse effect on the Company's ability to meet its obligations hereunder, or (b) shall be currently contested in good faith by appropriate proceedings, timely instituted, which shall operate to stay any order with respect to noncompliance.

3.9 Jobs and Wage Requirements. The Company shall create at least sixteen (16) new full time jobs, as defined Section One of this Agreement, which shall have a mean hourly wage of \$34.55, exclusive of all benefits and other forms of compensation, including without limitation bonuses and commissions. The Company shall create the new full time jobs by the deadlines established in Exhibit E, and shall maintain said jobs for ten (10) years from the activation date, as further provided in Exhibit B and certified in the Compliance Form, attached as Exhibit D, Schedule 1.

Should the Company fail to create the required full-time jobs by the dates established in Exhibit E, or allow the required full-time jobs to remain vacant for a period of more than thirty (30) consecutive business days at any point after their creation, LFUCG may elect either of the following remedies, which shall be in addition to any other remedies or damages to which LFUCG may be entitled under law or equity:

- (a) Repayment Penalty. LFUCG may require the Company to pay a monthly repayment penalty, which shall be calculated individually for each job that has not been created by the date established in Exhibit E or which has been allowed to remain vacant for more than thirty (30) consecutive business days at any point after creation, or which has failed to satisfy the wage requirement provided herein, as follows:

Step One:
$$\frac{\$34.55 - \text{Actual Average Hourly Wage}}{\$34.55} \times \frac{\text{Outstanding Principal}}{\text{Years Remaining}} = \text{Repayment Penalty}$$

Step Two: Repayment Penalty/12= Monthly Repayment Penalty

Should LFUCG elect to assess a repayment penalty, the Company shall pay to LFUCG the monthly repayment penalty calculated hereunder no later than the last business day of any month in which the Company has, for at least one business day, failed to satisfy the Jobs or Wage Requirements established herein. All monthly repayment penalty payments shall be credited to the Company's account and deducted from the principal owed under this Incentive Agreement.

- (b) Default. LFUCG may elect to treat the Company's failure to satisfy its obligations provided in this section for a period of more than fifteen (15) consecutive business days as an event of default, as defined in Section Five of this Agreement, entitling LFUCG to those remedies provided in Section Six of this Agreement.

As evidence of its compliance with this Agreement, the Company agrees to provide, on a confidential basis (except as to information disclosed on the public website of LFUCG as to all projects approved by LFUCG), a list of the new full time employees employed at the Project Site (Exhibit D, Schedule 1) and a report of each such employee's hourly salary, exclusive of all benefits and other forms of compensation, including without limitation bonuses and commissions, upon request, and shall submit such documentation to LFUCG with or without request one year after executing the activation certificate attached hereto, and annually thereafter. LFUCG may inspect the Company's records as necessary to ensure that the Company is, at all times, in full compliance with the provisions of this Agreement.

3.10 Shut Down or Buyout Repayment. Should the Company be acquired, purchased, or bought out during the term of this Agreement, or should the Company close, shut down, or for any reason permanently cease operation of the Project during the term of this Agreement, the remaining principal of the Incentive funds

loaned hereunder, plus all accrued interest, shall be immediately due and payable to the LFUCG.

3.11 Right to Inspect. The LFUCG shall, at all times and upon reasonable notice, have the right to inspect any and all records relating to the Project and to inspect the Company's premises relating to the Project in order to determine compliance with the Jobs and Wage requirement as well as to monitor the progress of the Project.

3.12 Indemnification. The Company shall indemnify, defend, and save harmless the LFUCG and its boards, directors, officers, agents, and employees (the "Indemnitees") from all loss, liability, or expense (including the fees and expenses of in-house or outside counsel) arising out of or in connection with the Company's execution and performance of this Agreement except to the extent that such loss, liability, or expense is due to the gross negligence or willful misconduct of the Indemnitee. The Company acknowledges and agrees that this indemnity provision shall survive the termination of this agreement.

SECTION 4 Representations and Warranties

The Company hereby represents and warrants to LFUCG as follows (which warranties and representations shall survive the execution of this Incentive Agreement):

4.1 Existence. The Company is duly organized and validly incorporated under the laws of the State of Delaware, qualified to do business in Kentucky and in all other states in which it is required to be so qualified or in which the failure to be so qualified would have a material adverse effect on Company's ability to meet its obligations hereunder. The Company shall preserve its entity existence as a corporation and shall be and remain qualified to do business in Kentucky and in all states in which it is required to be so qualified or in which the failure to be so qualified would have a material adverse effect on its ability to meet its obligations hereunder. The Company shall preserve its entity existence as a corporation and shall be and remain qualified to do business in Fayette County, Kentucky.

4.2 Right to Act. The Company has the legal power, capacity, and right to execute and deliver all of the Incentive Documents to which it is a party, and to observe and perform all of the provisions of the Incentive Documents to which it is a party. Neither the Company's execution or delivery of the Incentive Documents, nor the performance or observance by the Company of the provisions of the Incentive Documents violates any law applicable to it or otherwise constitutes a default or a violation under, or results in the imposition of any lien under, or conflicts with, or results in any breach of any of the provisions of, any existing contract or other obligation binding upon it or its property, with or without the passage of time or the giving of notice or both. The officer executing and delivering the Incentive Documents to which Company is a party on behalf of the Company has been duly authorized to do so, and the Incentive Documents to which it is a party referred to herein are legal, valid, and binding obligations of the Company enforceable in accordance with their respective

terms, except to the extent enforceability thereof may be limited under applicable bankruptcy, moratorium, insolvency, or similar laws or by equitable principles.

4.3 Litigation and Taxes. No litigation or proceeding involving the Company is pending or overtly threatened in writing in any court or administrative agency, which would be reasonably likely to have a material adverse impact on the Company's financial condition or otherwise impair its ability to honor the commitments made herein (in each case after giving effect to applicable insurance coverage). The Company is not in default in the payment of any tax, nor is any assessment threatened in respect thereof (other than the assessment of ad valorem property taxes not yet due and payable), and has timely filed all federal, state, and local tax returns and has paid all taxes required to be paid therewith, except for matters being contested in good faith by appropriate proceedings, timely instituted.

4.4 Financial Statements. The Company's financial statements, heretofore furnished to LFUCG and/or its Economic Development Board, are true and complete in all material respects, have been prepared on the modified cash basis of accounting, omit no material contingent liabilities of any kind that are not disclosed or otherwise reflected therein, and fairly present its financial condition as of their dates and the results of the Company's operations for the respective fiscal period then ending. Since the date of their preparation, there has been no material adverse change in the Company's financial condition, properties, or businesses.

4.5 Default. No Event of Default, as defined under this Incentive Agreement, exists at the time of execution of this Agreement, nor shall any such default begin to exist immediately after the execution and delivery hereof.

4.6 Last Dollar In. Consistent with the representations in the Application, the Company does represent and certify that the financial incentives being provided by the LFUCG are necessary for the expansion to occur and are the last funds received from a public or private entity for the creation of the jobs provided in Section 3.9, above.

SECTION 5 Events of Default

Each of the following shall constitute an Event of Default under this Incentive Agreement:

5.1 Payments. The failure of the Company to tender payment within fifteen (15) days of a payment becoming due under Section 2.4, or to comply with the provisions of Section 3.9, above.

5.2 Covenants and Agreement. If the Company violates, fails, or omits to perform or observe any non-monetary covenant, agreement, condition, or other provision contained or referred to in, or any non-monetary default occurs under, the

Incentive Documents to which it is a party, and such failure or omission shall not have been fully corrected within thirty (30) days (or such shorter grace period as may be provided) after LFUCG has given written notice thereof to the Company.

5.3 Accuracy of Statements. If any representation, warranty, or other statement of fact contained herein, or in any of the other Incentive Documents to which Company is a party or in any writing, certificate, report, or statement at any time furnished to LFUCG pursuant to or in connection with this Incentive Agreement, or otherwise, shall be or become materially false or misleading in any respect or shall omit a material fact, whether or not made with knowledge of same.

5.4 Adverse Financial Change. If there should be any material adverse change in the financial condition of the Company, as determined in LFUCG's reasonable discretion, from its financial condition as shown on any financial statement supplied to LFUCG as referred to in Sections 3.2 or 4.4 of this Incentive Agreement, and such adverse change is not fully corrected to LFUCG's satisfaction within thirty (30) days after written notice with respect thereto is provided to the Company from LFUCG.

5.5 Dissolution or Termination of Existence. If the Company or any person, firm, or corporation controlling the Company takes any action that is intended to result in the Company's termination, dissolution, or liquidation.

5.6 Solvency.

(a) If the Company shall (i) be adjudicated bankrupt, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a petition, or admit (by answer, default or otherwise) the material allegations of any petition filed against it, in bankruptcy under the federal bankruptcy laws (as in effect on the date this Incentive Agreement, or as they may be amended from time to time), or under any other law for the relief of debtors, or for the discharge, arrangement or compromise of their debts.

(b) If a petition shall have been filed against the Company in proceedings under the federal bankruptcy laws (in effect on the day of this Incentive Agreement, or as they may be amended from time to time) or under any other laws for the relief of debtors, or for the discharge, arrangement, or compromise of their debts, or any order shall be entered by any court of competent jurisdiction appointing a receiver, trustee, or liquidator of all or any material part of the Company's assets, and such petition or order is not dismissed or stayed within thirty (30) consecutive days after entry thereof.

5.7 Other Defaults. If any event would give another Person or entity the right to accelerate payments of material indebtedness for borrowed money or to proceed against the Project Site.

5.8 Incentive Documents. If, for any reason, any of the Incentive Documents to which Company is a party shall cease to be in full force and effect, or shall be

declared null and void, or shall be contested by the Company as to the validity or enforceability thereof.

5.9 Assignment. If the Company shall attempt or purport to assign its rights, duties, and obligations under this Incentive Agreement to any party without first securing LFUCG's written consent to such assignment, as required under Section 8.8 of this Agreement.

SECTION 6 Remedies Upon Default

Notwithstanding any contrary provisions or inference herein or elsewhere:

6.1 Acceleration. If any Event of Default shall occur under this Agreement, LFUCG shall have the right, in its sole discretion, to declare the full principal of the loan immediately due and payable, along with interest as provided in Section 2.2 of this Agreement.

6.2 Exercise of Remedies. The rights and remedies of LFUCG under the Incentive Documents shall be deemed to be cumulative and shall be in addition to all those rights and remedies afforded to LFUCG at law or in equity. Any exercise of any rights or remedies shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy.

SECTION 7 Conditions Precedent

LFUCG's obligation to make the Incentive shall be conditioned upon the fulfillment of the following conditions prior to the making of such Incentive:

7.1 Representations, Warranties, and Covenants. Each and every representation, warranty, and covenant made by or on behalf of the Company in its application to LFUCG or relating to any of the Incentive Documents to which it is a party or instruments or transactions contemplated thereby shall be true, complete, and correct on and as of the date the Incentive is made and shall be so evidenced by a certificate executed by the Company's duly authorized officer, to be dated and delivered to LFUCG as of the closing date of this Incentive.

7.2 No Defaults. There shall exist no Event of Default and no event which, with the giving of any notice or the passage of any period of time, constitutes an Event of Default.

7.3 Compliance. The Company shall have observed or complied with all provisions of this Incentive Agreement and the incorporated incentive documents.

7.4 Insurance Policy. The Company shall have submitted to LFUCG a copy of an applicable certificate, in customary form, with respect to the current insurance coverage on the Project Site.

7.5 Employment Waiver and Authorization. The Company hereby authorizes LFUCG to request that the Office of Employment and Training within the Department for Workforce Investment ("OET") furnish to LFUCG, on a confidential basis (except as to information disclosed on the public website of LFUCG as to all projects approved by LFUCG), all information in the possession of OET concerning the number of people employed by the Company at the Project Site and the number of hours worked by those employees. This authorization shall terminate upon the earlier of satisfactory completion of the Jobs Requirement or upon termination of this Incentive Agreement. The Company hereby releases OET from any and all responsibility for disclosing to LFUCG the information requested in connection with this Incentive Agreement.

7.6 LFUCG Approval. The LFUCG shall have supplied copies of any resolutions or ordinances authorizing the LFUCG's participation in the Incentive and execution of the Incentive Documents.

7.7 Corporate Existence and Authorization. The Company shall provide, at the request of the LFUCG, an original Certificate of Good Standing or equivalent from the Delaware Secretary of State's Office and copies of its Articles of Incorporation, and any amendments thereto. The company shall also provide at the request of the LFUCG a Certificate of Authority from the Kentucky Secretary of State's Office.

SECTION 8 Interpretation

8.1 No Waivers; Multiple Exercise of Rights. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power, remedy, or privilege by LFUCG shall operate as a waiver thereof, nor shall any right, power, remedy, or privilege of LFUCG be exclusive of any other right, power, remedy, or privilege referred to herein or in any related document now or hereafter available at law, in equity, in bankruptcy, by statute, or otherwise. Each such right, power, remedy, or privilege may be exercised by LFUCG, and as often and in such order as LFUCG may deem expedient.

8.2 Time of the Essence. Time shall be of the essence in the performance of all the Company's obligations under the Incentive Documents and the other instruments related hereto.

8.3 Binding Effect. The provisions of this Incentive Agreement shall bind and benefit the Company and LFUCG and their respective successors and assigns, including each subsequent holder, if any; provided, however, that this paragraph shall not be construed to permit the assignment by the Company of its rights and obligations under this Incentive Agreement without LFUCG's prior written consent.

8.4 Headings. The headings used in this Incentive Agreement are for convenience of reference only, and shall not be considered in the interpretation or construction of this Incentive Agreement.

8.5 Governing Law. The Incentive Documents and the respective rights and obligations of the parties hereto shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

8.6 Jurisdiction and Venue. The parties hereto agree that any suit, action, or proceeding with respect to this Incentive Agreement may only be brought in or entered by, as the case may be, (a) the courts of the Commonwealth of Kentucky situated in Lexington, Fayette County, Kentucky, and the parties hereby submit to the jurisdiction of such court for the purpose of any such suit, action, proceeding, or judgment and waive any other preferential jurisdiction by reason of domicile. The parties hereby irrevocably waive any objection that they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or related to this Incentive Agreement and the Incentive Documents to which Company is a party brought in the Courts of the Commonwealth of Kentucky situated in Lexington, Fayette County, Kentucky and also hereby irrevocably waive any claim that any such suit, action, or proceeding brought in any one of the above-described courts has been brought in an inconvenient forum.

8.7 Complete Agreement. This Incentive Agreement and the other instruments referred to herein contain the entire agreement of the parties pertaining to its subject matter and supersede all prior written and oral agreements pertaining hereto.

8.8 Assignments or Modifications. The Company may not assign its rights under this Incentive Agreement to any other party without the prior written consent of the LFUCG. This Incentive Agreement may be modified only in a writing executed by LFUCG and the Company.

8.9 Severability. If any part, term, or provision of this Incentive Agreement is held by any court to be unenforceable or prohibited by any law applicable to this Incentive Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or, if it is totally unenforceable, as if this Incentive Agreement did not contain that particular part, term, or provision.

SECTION 9 Notices

Any notice required or permitted to be given under this Incentive Agreement shall be in writing and shall be deemed sufficiently given for all purposes if sent by registered mail, postage pre-paid and return receipt requested, or by electronic mail, in each case addressed to the intended recipient (a) as follows:

If to LFUCG:

Chief Development Officer
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507
ATTN: Kevin Atkins

If to the Company:
Fooji, Inc.
257-263 E. Short Street
Ste. 200
Lexington, KY 40507
ATTN: Sara Gooden
acct@fooji.com

or (b) such other address which any party hereto may specify by written notice to the other party in accordance with the terms of this Section 9, including electronic mail addresses as designated from time to time. Any registered mail notice shall be deemed effective as of three (3) business days after the mailing date of said notice. Any email notice shall be deemed effective the day sent.

SECTION 10
Survival of Covenants, Agreements,
Warranties, and Representations

All covenants, agreements, warranties, and representations made by the Company herein shall survive the making of the Incentive and the execution and delivery of the Incentive Documents.

SECTION 11
Fees and Expenses;
Costs of Enforcement

If any Event of Default shall occur under the Incentive Documents, the Company shall pay to LFUCG, to the extent allowable by applicable law, such amounts as shall be sufficient to reimburse LFUCG fully for all of its costs and expenses incurred in enforcing its rights and remedies under the Incentive Documents, including without limitation LFUCG's reasonable legal fees and court costs. Such amounts shall be deemed evidenced by and secured by all the Incentive Documents.

SECTION 12
Miscellaneous Provisions

12.1 Term of Incentive Agreement. The term of this Incentive Agreement shall commence as of the Activation Period and continue until the first date on which the Incentive and all accrued interest thereon shall have been paid in full and the Company shall have paid or performed all its other obligations hereunder.

12.2 Incorporation by Reference. All exhibits, schedules, annexes, or other attachments to this Incentive Agreement are incorporated into this Incentive Agreement as if set out in full in the first place that reference is made thereto.

12.3 Multiple Counterparts. This Incentive Agreement may be signed by each party upon a separate copy, and in such case one counterpart of this Incentive Agreement shall consist of a sufficient number of such copies to reflect the signature of each party.

12.4 Waivers by the Company. The Company hereby waives, to the extent permitted by applicable law, (a) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, and notices of dishonor in connection with; and, (b) any requirement of diligence or promptness on the part of LFUCG in enforcement of its rights under the provisions of the Incentive Documents.

IN WITNESS WHEREOF, the Lexington-Fayette Urban County Government and the Company have executed this Incentive Agreement as of the day, month and year first above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: [Signature]
Printed Name: Jim Gray
Title: Mayor

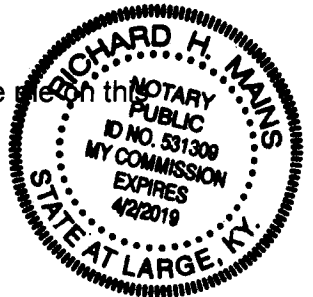
ATTEST: [Signature]
Council Clerk

COMPANY:
Fooji, Inc.
By: [Signature]
Printed Name: Sara Gooden
Title: VP, Operations

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF _____)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this 10th day of November, 2016, by Sara Gooden of Fooji, Inc. for and on behalf of said company, which is registered to do business in Kentucky.

[Signature]



Notary Public

My commission expires: 4/2/2019

EXHIBIT A

Activation Certificate

The undersigned, Sara Gooden, in his/her capacity as VP of Operations of Fooji, Inc., a Delaware Corporation which is registered to do business in Kentucky (the "Company") hereby certifies that:

1. The Project at 257-263 E. Short Street, Ste. 200, Lexington, KY 40507 in Fayette County, Kentucky, the expansion of which was facilitated in part by a Forgivable Loan from the Lexington-Fayette Urban County Government (the "LFUCG") in the amount of one hundred thousand dollars and zero cents (\$100,000.00) is and shall continue to be occupied by the Company.
2. The Company will hire a total of sixteen (16) new permanent full-time jobs, as defined in that certain Incentive Agreement by and among the Borrower and the LFUCG, will be created by the company as set forth herein and further described in the Incentive Agreement.
3. The company does request an initial disbursement of fifty thousand dollars and zero cents (\$50,000.00).

IN WITNESS THEREOF, the undersigned has executed this certificate in his/her capacity as VP, OPERATIONS of Fooji, Inc., a Delaware corporation which is registered to do business in Kentucky on this 10 day of NOVEMBER, 2016.

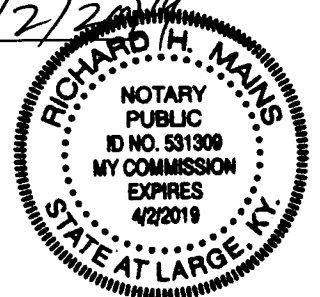
Fooji, Inc.

By: Sara Gooden
Printed Name: Sara Gooden
Title: VP, Operations

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Fayette)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this 10th day of November, 2016, by Sara Gooden VP Operations of Fooji Inc., a Delaware Corporation for and on behalf of said company, which is registered to do business in Kentucky.

[Signature]
Notary Public
My commission expires: 4/2/2019



Fooji
Incentive Agreement
Exhibit B

Warning

The documents in Exhibit B contain exempt and proprietary information that is protected by open records law. These documents shall not be shared with the public or published to a public website without authorization from the Law Department.

EXHIBIT C

PROMISSORY NOTE

Borrower: Fooji, Inc., of, Lexington, KY 405__ (the "Borrower")
LFUCG: Lexington-Fayette Urban County Government of 200 E. Main St, Lexington, KY, 40507 (the "LFUCG")
Principal Amount: \$100,000.00 USD

1. FOR VALUE RECEIVED, the Borrower promises to repay to the LFUCG the principal advanced to Borrower pursuant to the terms of the Incentive Agreement entered into by the parties on NOVEMBER 10, 2016, (the "Incentive Agreement"), up to the maximum sum of \$100,000.00 USD, plus interest.
2. The Incentive shall accrue interest at a rate of ONE AND FIFTY-SIX HUNDREDTHS (1.56%) of the outstanding principal per annum. However, should an Event of Default occur under the terms of this Agreement, additional interest in an amount of twelve percent (12%) per annum may be assessed at the sole discretion of LFUCG.
3. Beginning one (1) year from the date of the initial disbursement to the Borrower, and every year thereafter for a total of ten years, ten percent (10%) of the outstanding original principal debt shall be forgiven if the Borrower has, at all times during the preceding year, fully complied with the terms of the Incentive Agreement and satisfied all duties and obligations established thereunder. Should any principal or interest remain outstanding beyond ten (10) years from the date of the initial disbursement, Company shall repay such balance immediately upon demand.
4. At any time while not in default under this Note or the Incentive Agreement, the Borrower may pay the outstanding balance then owing under this Note, together with accrued interest thereon, to the LFUCG without further bonus or penalty.
5. All costs, expenses, and expenditures, including and without limitation the complete legal costs incurred by the LFUCG in enforcing this Note or the Incentive Agreement as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower. In the case of the Borrower's default and the acceleration of the amount due by the LFUCG all amounts outstanding under this Note

will bear interest of 1.74 percent per annum from the date of demand until paid.

- 6. If any term, covenant, condition, or provision of this Note is held by a court of competent jurisdiction to be invalid, void, or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired, or invalidated as a result.
- 7. This Note will be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.
- 8. This Note will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors, and assigns of the Borrower and the LFUCG. The Borrower waives presentment for payment, notice of non-payment, protest, and notice of protest.

IN WITNESS THEREOF, the undersigned has executed this certificate in his/her capacity as VP OPERATIONS of Fooji, Inc., Delaware corporation, on this 10 day of NOVEMBER, 2016.

Fooji, Inc.

By: Sara Gooden
Printed Name: Sara Gooden
Title: VP, Operations

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this 10th day of November, 2016, by Sara Gooden VP Operations of Fooji, Inc., for and on behalf of said company, which is registered to do business in Kentucky.

[Signature]
Notary Public
My commission expires: 4/2/2019

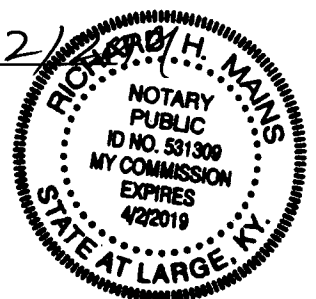


Exhibit D



Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

JOBS Fund Compliance Report

Date:	Report _____ of year _____
Company Name:	Address:
Project Location:	
Fund Program:	
Approved Length of Incentive (Years):	Approved Dollar Amount:

Total Number of Jobs to be Created by the Agreement:		Median Hourly Wage:	
Total Number of Jobs Currently Created by the Agreement:		Median Hourly Wage:	
Total Number of Jobs Currently at Project Location:			
Total Payroll of New Jobs Created by the Agreement:			
Total Payroll:			

I, _____, hereby attest to the accuracy of the information provided above in accordance with the Grant Agreement and understand that the LFUCG retains the right to conduct an audit for purpose of verification.

Signature	Title
Print Name	Date

	<u>Employee Identification</u> <u>Name or Number</u>	<u>Employee Address</u>	<u>Date of Hire</u>	<u>Title</u>	<u>Hours Worked per Week</u>	<u>Annual Wage</u>
1.						
2.						
3.						
4.						