

LOAN AGREEMENT

THIS LOAN AGREEMENT (“Loan Agreement”), dated as of this _____ day of _____, 2022, is made by and between:

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

And

Helios Aerosystems, LLC
a Kentucky Limited Liability Company
535 Lagonda Avenue
Lexington, KY 40505
 (“Borrower” or “Company”)

And

Donald A. Beaven
149 Forest Avenue
Lexington, KY 40508
 (“Guarantor”)

Recital

This Loan Agreement provides for a loan in the amount of one hundred twenty thousand dollars and zero cents (\$120,000.00) from LFUCG to Helios Aerosystems, LLC, (hereinafter the “Borrower” or the “Company”) pursuant to Ordinance No. 153-2013 and its Jobs Fund Program as authorized by the Urban County Council in Resolution No. 745-2014. In order to induce LFUCG to enter into this Loan Agreement and to make the loan, the Borrower 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 unless explicitly authorized by LFUCG.

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 Period" shall mean the date certain that the Company has met the requirements of and has executed Exhibit A, which is attached hereto and incorporated herein by reference.

"Application" shall mean the Borrower's application for funding under LFUCG's Job Funding Program, and the schedule for job creation, 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 proceeds of the Loan by LFUCG to Borrower.

"Employee" shall mean a Kentucky resident who maintains a permanent, Full-Time Job (as further defined below) 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 Loan 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.

"Guarantor" shall mean Donald A. Beaven, who shall provide a personal guaranty for the outstanding principal of loan and note for a time period of ten year from the final disbursement of the loan proceeds.

"Guaranty" shall mean the guaranty agreement, signed by the Guarantor and attached as Exhibit E to this agreement, and shall include any renewal, replacement, extension, or notation thereof.

"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.

"Loan" shall meant the loan in the principal amount of \$120,000.00 from LFUCG to the Borrower as further provided in Section 2 of this Loan Agreement, as evidenced by the Note attached as Exhibit C to this Agreement.

“Loan Documents” shall mean this Loan Agreement, the Note, the Application, and all other instruments or agreements related there to.

“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 certain project consisting of the Company’s acquisition, construction, equipping, and staffing of a facility within Fayette County, Kentucky.

“Project Site” shall mean the facility located at 535 Lagonda Avenue in Lexington, Fayette County, Kentucky, together with all improvements and fixtures attached thereto.

“Repayment Penalty” shall mean the repayment required in the Event of a default as further defined in Section 3.9 of this Agreement.

“Request for Disbursement” shall mean a written request to the LFUCG for the making of a disbursement of the proceeds of the Incentive, in form, substance, and detail satisfactory to the LFUCG.

“Wage Requirement” shall have the meaning set forth in Section 3.9 hereof.

SECTION 2 The Loan

LFUCG agrees to provide a Loan to the Borrower in accordance with the terms and condition of the Loan Documents, as follows:

2.1 Amount. The principal amount of the Loan shall be up to a maximum amount of one hundred twenty thousand dollars and zero cents (**\$120,000.00**) as evidenced by the Note attached hereto and made a part hereof as Exhibit C.

2.2 Interest. Interest at the rate of three percent (3.00%) of the outstanding loan shall be assessed annually. However, should an Event of Default occur under the terms of this Agreement, additional interest in an amount of twelve percent (12%) per annum from the date of default may be assessed at the sole discretion of LFUCG.

2.3 Disbursement. Disbursements of proceeds of the Loan shall be made by LFUCG to the Borrower as reimbursement of actual expenditures incurred for the purchase of equipment referenced in Exhibit B. Provided, however, that no more than one draw may be made in any thirty (30) day period. Notwithstanding the preceding, no disbursements shall be made unless (i) this Agreement and all attachments hereto have been properly executed by the appropriate parties and returned to LFUCG (ii) all parties have satisfied the conditions precedent to the Loan set forth in Article 7 of this Agreement and in each of the other Loan Documents, (iii) the Company has complied with the Jobs and Wage Requirements in accordance with job creation schedule outlined in Exhibit B

to the date of the reimbursement request, and (iv) LFUCG has received properly completed and executed copies of Exhibits A and D, as well as receipts or other proof of purchase of the equipment referenced in Exhibit B, not less than ten (10) days prior to the date requested for the disbursement, to which shall be attached any supporting documentation requested by LFUCG.

2.4 Installments of Principal and Interest. The Loan shall be repaid in thirty-nine (39) consecutive quarterly installments of principal and interest and one (1) final quarterly payment for the balance of the principal and accrued interest, all of which shall be due on the first day of each quarter. The number of quarterly installments may be amended by agreement of the Mayor, with approval of the Economic Development Investment Board, and the Borrower, provided the change does not reduce the amount repaid to LFUCG by the Borrower. Otherwise, any amendment affecting the number of quarterly installments shall require Council approval. The amount due for any given payment, which shall be determined by LFUCG and provided to Borrower, shall be calculated as the amount that would be required to fully repay all distributions already made at the time of payment, plus applicable interest, fees, penalties, and costs, in quarterly payments, by the conclusion of the repayment term. The first payment shall be due beginning three (3) months from the date of the initial disbursement of funds to Borrower. In the event of default, the balance due on the Note, together with accrued interest thereon shall be due and payable within ten (10) days of LFUCG providing Borrower with a written notice of demand of the balance owing.

2.5 Prepayment. The Borrower shall have the right at any time to prepay the Note in whole or in part. Prepayments shall be applied first to accrued but unpaid interest, and then to installments of principal of the Loan in reverse order of their maturity. Prepayments shall not relieve the Borrower from the duty to make consecutive payments in the amount provided in accordance with Section 2.4, but shall operate to discharge the Borrower's obligation at an earlier date.

Prepayment shall not relieve the Borrower from any Jobs and Wage Requirement provided herein. Rather, the Jobs and Wage Requirement provided herein shall continue after the loan has been repaid, until the Company has maintained said jobs for a period of ten (10) years. If the Company fails to abide by this requirement after fully repaying the loan proceeds, LFUCG may require the Company to pay a monthly penalty, which shall be calculated individually for each job that has not been created or maintained, or which has failed to satisfy the wage requirement provided herein, as follows:

$$\frac{\$31.00 - \text{Actual Average Hourly Wage}}{\$31.00} \times \$120.90$$

Beginning fifteen (15) days after any full-time job required hereunder has been permitted to lapse, or has fallen below the wage requirement, LFUCG may elect to levy a monthly repayment penalty for 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 made within ten (10) days of receipt of notice that a monthly repayment penalty is due. All monthly repayment penalty

payments shall be credited to the Company's account and such amounts deducted from the principal and interest owed under this Loan Agreement.

2.6 Late Charges. If the Borrower fails to pay any installment of principal or interest require under the Note within ten (10) days after the date such a payment first becomes due, the Borrower shall pay to LFUCG a late charge equal to five percent (5%) of such payment, which amount shall be due at the time the late payment is made.

2.7 Ceasing Disbursement. The LFUCG may, at its sole discretion, cease any future disbursement(s) should any Event of Default occur prior to that disbursement being sent.

2.8 Security. The Note and the Loan evidenced thereby are and shall be secured by the Guaranty, which is attached hereto and incorporated herein by reference as Exhibit E, which shall be delivered simultaneously with the execution of this Loan Agreement by the Guarantor.

SECTION 3 General Covenants

The Borrower agrees that, until it has fully repaid the Loan, plus all other interests, penalties, fees, or charges due and owing hereunder, it shall preform, 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;
- (c) Enter into any agreement for the assumption of the Incentive by any other Person; or,
- (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 at reasonable times and places, the Company shall make its business records available to LFUCG for inspection on a confidential basis. During the term of the Incentive, the Company shall furnish to LFUCG annual financial reports prepared by the 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 e.g. labor, materials, supplies) which, if unpaid, might give rise to a lien or charge upon the Project Site or any other of the Company's property, 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 proceeds of the Incentive 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. Failure to maintain insurance coverage as set forth herein shall constitute an Event of Default as set forth in Section 5 hereof.

3.7 Entity Existence. The Company shall preserve its entity existence as a validly organized business entity 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 three (3) new Full Time Jobs, as defined Section 1 of this Agreement, which shall have a mean hourly wage of at least \$31.00, earned from work performed within Lexington-Fayette County, exclusive of all benefits and other forms of compensation, including without

limitation bonuses and commissions, by no later than seven (7) years following the date of this Loan Agreement pursuant to the job creation schedule outlined in Exhibit B, and further agrees to maintain said jobs for a period of ten (10) years, or until the entirety of the loan proceeds have been repaid, as further provided in Exhibit B and certified in the Compliance Form, attached as Exhibit D, whichever occurs later.

Should the Company fail to create at least three (3) Full Time Jobs within seven (7) years of the date of the Loan Agreement, pursuant to the job creation schedule outlined in Exhibit B, or allow any required full-time job to lapse for a period of more than fifteen (15) consecutive business days following one year of the date of the Loan Agreement, LFUCG may elect either of the following remedies, which shall be in addition to any other remedies or damages LFUCG may be entitled to 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 or maintained, or which has failed to satisfy the wage requirement provided herein, as follows:

Step One:
$$\frac{\$31.00 - \text{Actual Average Hourly Wage}}{\$31.00} \times \frac{\text{Outstanding Principal}}{\text{Years Remaining}} = \text{Repayment Penalty}$$

Step Two:
$$\text{Repayment Penalty}/12 = \text{Monthly Repayment Penalty}$$

Beginning fifteen (15) days after any full-time job required hereunder has been permitted to lapse, or has fallen below the wage requirement, LFUCG may elect to levy a monthly repayment penalty for 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 made within ten (10) days of receipt of notice that a monthly repayment penalty is due. All monthly repayment penalty payments shall be credited to the Company's account and such amounts deducted from the principal and interest owed under this Loan Agreement.

- (b) Default. LFUCG may elect to treat the Company's failure to create or maintain full-time jobs as required hereunder for a period of more than fifteen (15) consecutive business days as an event of default, as defined in Section 5 of this Agreement, entitling LFUCG to those remedies provided in Section 6 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, and except as otherwise required by law and specifically excluding any personally-identifiable information), a list of the new full time positions employed at the Project Site (Exhibit D) 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.

3.10 Headquarters in Lexington-Fayette County. In addition to the Jobs and Wage Requirements set forth above, the headquarters of the Company, and Project Site, to the extent its headquarters and the Project Site differ, shall remain in Lexington-Fayette County for the entirety of the loan's term.

3.11 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) directly 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 Borrower hereby represents and warrants to LFUCG as follows (which warranties and representations shall be deemed to survive the execution of this Loan Agreement):

4.1 Existence. The Borrower is a duly organized and validly existing corporation under the laws of the Commonwealth of Kentucky 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 Borrower's ability to meet its obligations hereunder. The Borrower 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 Borrower shall also 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 Borrower has the legal power, capacity, and right to execute and deliver all of the Loan Documents to which it is a party, and to observe and perform all of the provisions of the Loan Documents to which it is a party. Neither the Borrower's execution or delivery of the Loan Documents nor the performance or observance by the Borrower of the provisions of the Loan 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 Loan Documents to which Borrower is a party on behalf of the Borrower has been duly authorized to do so, and the Loan Documents to which it is a party referred to herein are legal, valid, and binding obligations of the Borrower 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 Borrower 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 Borrower'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 Borrower 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 Borrower's financial statements, heretofore furnished to LFUCG and its Economic Development Investment 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 Borrower's operations for the respective fiscal period then ending. Since the date of their preparation, there has been no material adverse change in the Borrower's financial condition, properties, or businesses.

4.5 Default. No Event of Default exists under this Loan 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 Borrower 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 Loan Agreement:

5.1 Payments. The failure of the Borrower to make payments of principal or interest under the Note or this Loan Agreement when same shall be due and payable and the continuation of such failure for ten (10) days after such payment first becomes due.

5.2 Covenants and Agreement. If the Borrower 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 Loan 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 herein)

after LFUCG has given written notice thereof to the Borrower. Notice is considered given upon receipt.

5.3 Accuracy of Statements. If any representation, warranty, or other statement of fact contained herein, or in any of the other Loan Documents to which Borrower is a party or in any writing, certificate, report, or statement at any time furnished to LFUCG pursuant to or in connection with this Loan Agreement, or otherwise, shall be 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 Borrower, 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 Loan 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 Borrower from LFUCG.

5.5 Dissolution or Termination of Existence. If the Borrower or any person, firm, or corporation controlling the Borrower takes any action that is intended to result in the Company's termination, dissolution, or liquidation, or to cease operation of the Project for a period of at least three (3) months.

5.6 Solvency.

(a) If the Borrower 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 Loan 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 Borrower in proceedings under the federal bankruptcy laws (in effect on the day of this Loan 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 Borrower'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 Loan Documents. If, for any reason, any of the Loan Documents to which Borrower 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 Borrower as to the validity or enforceability thereof.

SECTION 6
Remedies Upon Default

Notwithstanding any contrary provisions or inference herein or elsewhere:

6.1 Acceleration; Assessment of Interest Rate. If any Event of Default shall occur under this Agreement, LFUCG shall have the right, in its sole discretion, to declare the entire remaining amount 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 Loan 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 Loan shall be conditioned upon the fulfillment of the following conditions prior to the making of such Loan:

7.1 Representations, Warranties, and Covenants. Each and every representation, warranty, and covenant made by or on behalf of the Borrower in its application to LFUCG or relating to any of the Loan 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 Loan is made and shall be so evidenced by a certificate executed by the Borrower's duly authorized officer, to be dated and delivered to LFUCG as of the closing date of this Loan.

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 Borrower shall have observed or complied with all provisions of this Loan Agreement.

7.4 Insurance Policy. The Borrower 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 Borrower 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 Borrower at the Project Site, and the number of hours worked by those

employees. The Borrower hereby releases OET from any and all responsibility for disclosing to LFUCG the information requested in connection with this Loan Agreement.

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

7.7 Successors and Assigns. Except as otherwise expressly provided herein, the terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of the parties hereto. This provision shall not be construed to permit assignment by the LFUCG or the Company of any of their respective rights or duties under this Agreement or the other Loan Documents.

SECTION 8 Interpretation

8.1 No Waivers; Multiple Exercise of Rights. No course of dealing in respect to, 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 Borrower's obligations under the Loan Documents and the other instruments related hereto.

8.3 Binding Effect. The provisions of this Loan Agreement shall bind and benefit the Borrower 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 Borrower of its rights and obligations under this Loan Agreement without LFUCG's prior written consent.

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

8.5 Governing Law. The Loan 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 Loan 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 Loan Agreement and the Loan Documents to which Borrower 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 Loan 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 Borrower may not assign its rights under this Loan Agreement to any other party without the prior written consent of the LFUCG, which consent shall not be unreasonably withheld or delayed. This Loan Agreement may be modified only in a writing executed by LFUCG and the Borrower.

8.9 Severability. If any part, term, or provision of this Loan Agreement is held by any court to be unenforceable or prohibited by any law applicable to this Loan 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 Loan Agreement did not contain that particular part, term, or provision.

SECTION 9 Notices

Any notice required or permitted to be given under this Loan 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
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If to the Borrower:	Helios Aerosystems, LLC 535 Lagonda Avenue Lexington, KY 40505
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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, 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.

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

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

SECTION 11
Fees and Expenses;
Costs of Enforcement

If any Event of Default shall occur under the Loan Documents, the Borrower 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 Loan Documents, including without limitation LFUCG's reasonable legal fees and court costs. Such amounts shall be deemed evidenced by and secured by all the Loan Documents.

SECTION 12
Miscellaneous Provisions

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

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

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

12.4 Waivers by the Borrower. The Borrower 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 Loan Documents.

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

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

By: _____

Printed Name: Linda Gorton

Title: Mayor

ATTEST:

Council Clerk

COMPANY:

Helios Aerosystems, LLC

By: _____

Printed Name: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

)

COUNTY OF _____)

The foregoing Loan Agreement was sworn to, subscribed and acknowledged before me on this ___ day of _____, 2022 by _____ of **Helios Aerosystems, LLC**, for and on behalf of said company, which is registered to do business in Kentucky.

Notary Public

My commission expires: _____

EXHIBIT A

Activation Certificate

The undersigned, _____, in his/her capacity as _____ of Helios Aerosystems, LLC, a Kentucky Limited Liability Company, that is registered to do business in Kentucky (the "Borrower") hereby certifies that:

- 1. The Project at Project Site, as defined in the Loan Agreement has been facilitated in part by a Loan from the Lexington-Fayette Urban County Government (the "LFUCG") in the amount of one hundred twenty thousand dollars and zero cents (\$120,000.00).
- 2. The Company has incurred costs associated with the Project at the time of execution of this Activation Certificate, as illustrated by the attached proof of payment.
- 3. The Company will hire a minimum of three (3) new permanent full-time jobs, as provided in the Loan Agreement entered by the Borrower, the Guarantor, and the LFUCG pursuant to the job creation schedule outlined in its Application (Exhibit B of the Loan Agreement) and its headquarters is, and shall continue to be located in Lexington, Kentucky.
- 4. The Company requests an initial disbursement of \$ _____ for expenses listed in the Application, as illustrated in receipts or other proof of purchase attached hereto.

IN WITNESS THEREOF, the undersigned has executed this certificate in his/her capacity as _____ of Helios Aerosystems, LLC, a Kentucky Limited Liability Company, which is registered to do business in Kentucky on this _____ day of _____, 2022.

Helios Aerosystems, LLC

By: _____

Printed Name: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

) SS

COUNTY OF _____)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this ____ day of _____, 2021, by _____ of Helios Aerosystems, LLC, a Kentucky Limited Liability Company, for and on behalf of said company, which is registered to do business in Kentucky.

Notary Public

My commission expires: _____

EXHIBIT B

APPLICATION FOR INCENTIVE PROGRAMS PROJECT INFORMATION

Rev 2/222

Date:

Is this an amendment to the initial application for incentives?

APPLICANT INFORMATION (Entity applying for incentives)

Company Name			
Helios Aerosystems, LLC			
Street Address	City	State	Zip Code
535 Lagonda Ave	Lexington	KY	40505
Federal Employer ID Number	NAICS Code	Company Organization	State of Organization
27-4734393	541330	LLC	KY
Contact Person	Title	Telephone	Fax
Alex Clements	Head of Design	(502) 275-1413	
Email Address		Company Website	
alex@heliosaerosystems.com		www.heliosisrack.com	
Is the applicant registered and in good standing with the Kentucky Secretary of State?			<input type="text" value="Y"/>
Is the applicant registered and in good standing with the Kentucky Department of Revenue?			<input type="text" value="Y"/>
Is the applicant current on all local, state and federal taxes?			<input type="text" value="Y"/>
Has the applicant, or any owner or affiliate of the applicant, ever been convicted of any criminal offenses, been in receivership or adjudicated a bankruptcy, or been denied a business related license or had a business related license suspended or revoked by any administrative, governmental or regulatory agency?			
<input type="text" value="No"/>	<i>If yes, please list the violation and explain (attach additional explanation if needed):</i>		

PROJECT LOCATION

Street Address	City	State	Zip Code
535 Lagonda Ave	Lexington	KY	40505
County	Industry	Is location in a Tax Increment Financing District?	
Fayette	Aerospace	<input type="text" value="N"/>	
a) Will the applicant provide a service to or use technology for customer or affiliate entities predominantly outside Lexington?			<input type="text" value="Y"/>
b) Is the applicant designed to serve a multistate, national or international market?			<input type="text" value="Y"/>
Is the contact person for the project location the same as the person listed in the Applicant Information section? <input type="text" value="Y"/> <i>If no, then please complete the following:</i>			
Contact Person	Email Address	Telephone	Fax

COMPANY OWNERSHIP

Please identify all owners of the company with 20% or more interest in the company, including parent companies for subsidiaries. If owners are legal entities, please identify the officers serving on the board of directors, management committee of the applicant or other governing body or appropriate principals with governing oversight of the applicant entity and provide the requested information. LFUCG may run a background check on any individuals identified. If necessary, please submit listing on a separate document.

Company or Individual Name	Date of Birth	City	State	FEIN / Social Security Number	Ownership Percent
Donald A Beaven		Lexington	KY		65.5%
John A Clements		Lexington	KY		26.0%
Is the applicant or its owner publicly traded?			no		

EXISTING LEXINGTON LOCATIONS

Other than the proposed project, does the applicant have any existing Lexington locations? no

If yes, then please complete the following:

Company Name	Address	City	full-time positions

Please attach additional listing if more space is needed.

AFFILIATES WITH RELATION TO THE PROJECT

Will any affiliated entity be the owner or lessor of the project? N *If yes, please provide:*

Affiliate Name	Address	City, State	FEIN

Will any affiliated entity employ any employees at the site of the project? N *If yes, please provide:*

Affiliate Name	FEIN	resident positions at the project location

Please attach additional listing if more space is needed.

REQUIRED ATTACHMENT: If either affiliate question is answered "yes," then a disclosure statement will be required to be submitted for each affiliated entity along with the applicant.

PUBLIC INCENTIVES

LOCAL

Is the company receiving other local incentives? N
 If yes, please list other local incentives

STATE

Is the company receiving other state incentives? N
 If yes, please list other state incentives

FEDERAL

Is the company receiving other federal incentives? N
 Is the company receiving an SBIR or STTR grant? N
 If yes, which partner agency?
 If yes, which Phase?

PRIVATE FINANCING

Is the company receiving private financing?

N

If yes, please list the financing entity

Please indicate the (\$) amount of financing for the project

PROJECT COSTS

Fund Program (Grant, Loan, or Forgivable Loan)

Loan

Dollar Amount Requested

\$ 120,000

Please provide the estimated expenses for the project

Capital Expenses

\$ 112,000

Operating Expenses

\$ -

Land

\$ -

Building (new construction / acquisition / additions)

\$ -

Improvements (existing buildings)

\$40,500

Equipment (including installation costs)

\$8,000

Employee Costs

\$0

Facility Operating Costs

\$0

Start-up Costs (excluding equipment)

\$0

Rent (leased projects only):

\$0

Estimated annual rent:

Number of years for rent:

TOTAL PROJECT COST

\$ 160,500

Start-up Costs include the costs incurred to furnish and equip a facility, such as computers, furnishings, office equipment, manufacturing equipment, fixtures, relocation of out-of-state equipment and nonrecurring costs of fixed telecommunication equipment.

EMPLOYMENT, WAGES & BENEFITS

Full-time, Lexington resident employees are persons who are subject to Kentucky income tax and are employed by the company (or affiliate) at the project located in Lexington for at least 35 hours per week. (Do not include contract employees)

Resident Employees	
Current number at the project location	4
Total number of new jobs to be created	3
Total jobs projected by the end of the project	7

Total annual payroll for the current number of full-time, Lexington resident employees \$312,274.04

Anticipated Wages for the New Jobs to be Created:

Hourly Wage	\$31	Number of Jobs	3
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Unweighted Median Hourly Wage	\$31.00	Total Number of Jobs	3
		Incentive Dollars per Job	\$ 53,500

Mean Wages for the New Jobs Above the Program Minimum (\$24.00):

Hourly Wage	\$31	Number of Jobs	3
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Mean Hourly Wage	\$31.00	Total Number of Jobs	3

Mean Wages for the New Jobs Below the Program Minimum (\$24.00):

Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Hourly Wage		Number of Jobs	
Mean Hourly Wage	#DIV/0!	Total Number of Jobs	0

Employee Benefits are payments by the company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefit plans, 401(k) plans or similar plans.

Will new jobs created be offered at least some form of company paid employee benefit? Y
 What is the value of the benefit package as a percent of wages or salary? 3.0%

Indicate which of the following employee benefits will be offered as a company-paid benefit:

<input type="checkbox"/>	Life Insurance	<input type="checkbox"/>	Dental Insurance	<input type="checkbox"/>	Y	Other Retirement
<input type="checkbox"/>	Health Insurance	<input type="checkbox"/>	Stock Purchase	<input type="checkbox"/>	Y	Profit Sharing
<input type="checkbox"/>	Disability Insurance	<input type="checkbox"/>	401(k)	<input type="checkbox"/>	Y	Other (list below)
Cell phone, other fringe benefits						

TOTAL EMPLOYMENT AND PAYROLL PROJECTIONS

Please provide estimates for the cumulative new employment and new payroll to be created as a result of the project. Do not include employment or payroll information for existing employees at the site of the project. Minimum for compliance purposes is 5 years, or until the incentive is repaid.

	Full-time Lexington	Cumulative Total Payroll
As of Activation Date	0	\$0
End of Fiscal Year 1	1	\$60,000
End of Fiscal Year 2	1	\$62,400
End of Fiscal Year 3	2	\$124,896
End of Fiscal Year 4	2	\$129,892
End of Fiscal Year 5	2	\$135,088
End of Fiscal Year 6	2	\$140,491
End of Fiscal Year 7	3	\$204,706
End of Fiscal Year 8	3	\$210,847
End of Fiscal Year 9	3	\$217,172
End of Fiscal Year 10	3	\$223,687

INCOME, SALES & PROFIT PROJECTIONS

Please provide estimates for the Kentucky taxable income (loss), Kentucky gross sales and Kentucky gross profits to be generated as a result of the project. If the project is an expansion, include only those estimates for the expansion portion of the project (not the existing operations).

	Income (Loss)	Sales	Profits
End of Fiscal Year 1	\$11,635	\$110,810	\$33,243
End of Fiscal Year 2	\$12,799	\$121,891	\$36,567
End of Fiscal Year 3	\$14,078	\$134,080	\$40,224
End of Fiscal Year 4	\$15,486	\$147,488	\$44,247
End of Fiscal Year 5	\$17,035	\$162,237	\$48,671
End of Fiscal Year 6	\$18,738	\$178,461	\$53,538
End of Fiscal Year 7	\$20,612	\$196,307	\$58,892
End of Fiscal Year 8	\$22,673	\$215,938	\$64,781
End of Fiscal Year 9	\$24,941	\$237,532	\$71,259
End of Fiscal Year 10	\$27,435	\$261,285	\$78,385

INCENTIVE USAGE INFORMATION

NEW LOCATION

Will the project be a new location in Lexington? N *If no, skip to Expansion*

Site Acreage Building Square Footage

The facility will be:

New Constructions: Provide the Anticipated Construction Dates: *Acquisitions*: Answer the following:

Start Has the facility been unoccupied for more than 90 days?

Completion

EXPANSION

Will the project be an expansion of an existing facility? Y *If no, skip to New Equipment*

a) Does the project involve additions or renovations to existing buildings? Y

b) Does the project involve relocation from an existing facility? N

c) If b) is yes, is real estate available at or adjacent to the existing facility?

d) What is the total estimated cost of the expansion? \$40,500

Present Acreage	<input type="text"/>	Present Square Footage	<input type="text"/> 3,750
Increased Acreage	<input type="text"/>	Increased Square Footage	<input type="text"/> 400
Total Acreage	<input type="text"/> 0.0	Total Square Footage	<input type="text"/> 4,150

NEW EQUIPMENT

Will the incentive be for a purchase of new equipment? Y *If no, skip to Operating Expenses*

Does the facility currently own a similar piece of equipment? Y

Will the new equipment be used for expanded capacity? Y

What is the total estimated cost of the new equipment? 112,000

OPERATING EXPENSES

Will the incentive be for an operating subsidy? N *If yes, please list monthly expenses*

Monthly Lease Other

Monthly Utilities List Other

Monthly Payroll Expenses

Monthly Supplies

If the incentive does not match any of the programs listed, please attach a document describing the proposed use of incentive funds with rationale.

COLLATERAL

Please indicate any collateral to secure incentives including serial numbers. The CNC machine itself. Serial number not available at this time

Cash Value of Collateral \$112,000

Please list any lienholders on the existing collateral.

FOR OFFICE USE ONLY

Date Submitted

CDO Review

Board Review

Council Review

PROGRAM:

Grant

Loan

Financial Statements Application Fee

Company Letter

INTEREST:

Loan Interest Rate Penalty Rate

**APPLICATION FOR JOBS FUND INCENTIVES
CERTIFICATION OF APPLICATION**

Rev 5/2014

Company Name	Helios Aerosystems LLC
--------------	------------------------

CERTIFICATION

Eligibility for financial assistance is determined by the information presented in this application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein, including but not limited to the commencement of construction, any public announcement or legal commitment (e.g., lease or contract) without contingency language, could jeopardize the project's eligibility for incentives. Please contact the staff of the LFUCG before taking any action which would change the status of the project as reported herein.

I, the undersigned, on behalf of the applicant, hereby represent and certify that the foregoing application information, including all attachments, to the best of my knowledge, is (a) true, complete and accurate with respect to the information concerning the proposed project for which financial incentives are sought; and (b) does not contain any information for which any entity competing with the applicant may claim a proprietary interest.

Select which of the following is applicable:

For a new location project, I represent and certify that, but for the financial incentives being provided through this application, the proposed project could not reasonably and efficiently locate in Lexington and would likely locate outside of Lexington.

For an expansion project, I represent and certify that the financial incentives being provided in this application are necessary for the expansion to occur.

The undersigned, on behalf of the applicant, acknowledges that information contained within the application and its

The undersigned, on behalf of the applicant, acknowledges that the applicant will be required to self-report annually the

In addition, the undersigned, on behalf of the applicant, acknowledges and grants permission to the LFUCG to share any

Signature

Title

Print Name

Date

For Electronic Signature: The person responsible for signing the document may type his/her name in the signature field, but

EXHIBIT C

PROMISSORY NOTE

Borrower: Helios Aerosystems, LLC, of 535 Lagonda Avenue, Lexington, KY 40505 (the "Borrower")
LFUCG: Lexington-Fayette Urban County Government of 200 E. Main St, Lexington, KY, 40507 (the "LFUCG")
Principal Amount: \$120,000.00 USD

1. FOR VALUE RECEIVED, the Borrower promises to repay to the LFUCG the principal advanced to Borrower pursuant to the terms of the Loan Agreement entered into by the parties on _____, 2022, (the "Loan Agreement"), up to the maximum sum of \$120,000.00 USD, plus any penalty, interest, costs, fees, charges provided for in the Loan Agreement.
2. Interest will be assessed at a rate of THREE PERCENT (3.00%) of the outstanding principal per annum. However, should an Event of Default occur under the terms of the Loan Agreement, additional interest in an amount of twelve percentage points (12%) per annum may be assessed at the sole discretion of LFUCG.
3. Should an Event of Default occur under the terms of the Loan Agreement, the LFUCG shall have the right, in its sole discretion, to declare the entire remaining amount of the principal and interest immediately due and payable. 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 12 percentage points (12%) per annum from the date of demand until paid.
4. At any time while not in default under this Note or the Loan Agreement, the Borrower may pay the outstanding balance then owing under this Note, together with accrued interest thereon, to the LFUCG.
5. All costs, expenses, and expenditures, including and without limitation the complete legal costs incurred by the LFUCG in enforcing this Note or the Loan 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 additional interest of twelve percentage points (12%) 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 ensure 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 _____ of Helios Aerosystems, LLC, a Kentucky Limited Liability Company, on this _____ day of _____, 2022.

Helios Aerosystems, LLC

By: _____
Printed Name: _____
Title: _____

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

The foregoing Promissory Note was sworn to, subscribed and acknowledged before me on this ___ day of _____, 2022, by _____ of Helios Aerosystems, LLC, for and on behalf of said company, which is registered to do business in Kentucky.

Notary Public
My commission expires: _____

Exhibit D

JOBS Fund Compliance Report

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

Minimum Number of Jobs to be Created by the Agreement:		Median Hourly Wage:	
		Mean Hourly Wage:	
Total Number of Jobs Currently Created by the Agreement:		Median Hourly Wage:	
		Mean Hourly Wage:	
Total Number of Jobs Currently at Project Location:		Is Helios Aerosystems, LLC headquartered in Lexington-Fayette County?	
Total Payroll of New Jobs Created by the Agreement:			
Total Payroll in Lexington-Fayette Co.:			

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

Signature	Title
Print Name	Date

Schedule 1 to Exhibit D

	Employee Name	Employee Address	Date of Hire	Title	Hours Worked Per Week	Annual Wage
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

EXHIBIT E

GUARANTY AGREEMENT

This is a personal guaranty by Donald A. Beaven, whose mailing address is _____, (the "Guarantor") running in favor of the Lexington-Fayette Urban County Government ("LFUCG") on behalf of Helios Aerosystems, LLC (the "Company") by LFUCG pursuant to the Loan Agreement entered into by and between the Company and LFUCG on or about _____, 2022.

WHEREAS, the Company, which is authorized to do business in the Commonwealth of Kentucky, and has a mailing address 535 Lagonda Avenue, Lexington, Kentucky 40505, desires to transact business with and to obtain funding via a low-interest loan from the LFUCG, an urban county government of the Commonwealth of Kentucky created pursuant to KRS chapter 67A, whose mailing address is Lexington-Fayette Urban County Government, c/o Kevin Atkins, 200 East Main Street, Lexington, Kentucky 40507 ("LFUCG" or the "Government"), under the terms of the Loan Agreement dated _____, 2022 by and among LFUCG, the Company, and the Guarantor (the "Loan Agreement"), and as further evidenced by a promissory note in the principal amount of One Hundred Twenty Thousand and N0/100 Dollars (\$120,000.00) (the "Note"); and

WHEREAS, LFUCG is unwilling to provide the subject loan unless the undersigned Guarantor shall absolutely and unconditionally, and jointly and severally guaranty to LFUCG the payment and performance of the obligations of the Company as set forth in the Loan Agreement and the Note.

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, and to induce LFUCG from time to time, in its discretion, to extend or continue credit to the Company under the Loan Agreement, and acknowledging that LFUCG, in extending such credit, shall rely on this Guaranty, Guarantor hereby for himself and his respective heirs and assigns, personal representatives, successors (including, without limitation, by operation of law) and assigns, absolutely and unconditionally guarantee to LFUCG, as evidenced by the documents entered in connection with the Loan Agreement and Note ("Company's Documents") as if the terms and conditions of the Company's Documents have been restated herein in length, the prompt payment when due and at all times thereafter of any and all indebtedness and liabilities of the Company of every kind, nature, and character (including all renewals, extensions and modifications thereof, and whether created directly by LFUCG or acquired by assignment or otherwise, whether joint or several, whether matured or unmatured, and whether absolute or contingent) to LFUCG under the Note, Loan Agreement and other Company's Documents, including interest thereon as provided therein, reasonable attorneys' fees, penalties, and costs and expenses of collection incurred by LFUCG (all of which existing and future

indebtedness of the Company to LFUCG are hereinafter collectively referred to as the "Obligations").

1. The maximum liability of the Guarantor under this Guaranty shall not exceed in the aggregate One Hundred Twenty Thousand and No/100 Dollars (\$120,000.00), plus all accrued but unpaid penalties, interest, charges, reasonable attorney's fees, and costs and expenses of collection of the Obligations.
2. This guaranty is an unconditional, absolute, and continuing guaranty and shall remain in full force and effect irrespective of any interruption of business relations between the Company and LFUCG.
3. Anything contained in this Guaranty Agreement to the contrary notwithstanding, this Guaranty Agreement shall terminate upon the payment in full of the Obligations.
4. LFUCG shall have the right of immediate recourse against Guarantor for full and immediate payment of the Obligations at any time after the Obligations, or any part thereof, have not been paid in full according to the tenor and under the terms of the instrument governing such Obligations, whether on demand, at fixed maturity, or maturity accelerated by reason of a default.
5. The Guarantor's liability under this Guaranty Agreement shall be direct and immediate, and not conditional or contingent upon the pursuit of any remedies against the Company, any other Guarantor (if applicable), or any other person, nor against any security or liens available to the holder of the Note for payment. If the Note is partially paid through LFUCG's election to pursue any of its remedies, or if the Note is otherwise partially paid, Guarantor shall remain liable for the entire unpaid principal balance of and all accrued but unpaid penalties, interest, charges, fees, costs, and expenses arising from or in relation to the Note and the other Obligations.
6. This is a guaranty of payment, not of collection, and Guarantor therefore agrees that LFUCG shall not be obligated prior to seeking recourse against or receiving payment from Guarantor, to any of the following (although LFUCG may do so, in whole or in part, at its sole option), all of which are hereby unconditionally waived by Guarantor:
 - a. Take any steps whatsoever to collect from the Company or to file any claim of any kind against the Company;
 - b. Take any steps whatsoever to accept, perfect LFUCG's interest in, foreclose, realize on or deal in any manner with collateral

security, if any, for the payment of the Obligations, or any other guaranty of the Obligations; or

c. In any other respect exercise any diligence whatever in collecting or attempting to collect any of the Obligations by any means. The liability of Guarantor for payment of the Obligations shall be absolute, and unconditional, and nothing whatsoever except actual full payment to LFUCG of all the Obligations shall operate to discharge Guarantor's liability hereunder. Accordingly, Guarantor unconditionally and irrevocably waives each and every defense which, under principles of guarantee or suretyship law, would otherwise operate to impair or diminish the liability of Guarantor.

7. Without limiting the generality of the foregoing, Guarantor agrees that none of the following shall diminish or impair the liability of Guarantor in any respect (all of which may be done without notice to Guarantor of any kind):

a. Any extension, modification, indulgence, compromise, settlement or variation of the terms of any of the Obligations, or of any agreement entered into with Guarantor or any other person liable for any part of the Obligations;

b. The voluntary or involuntary discharge or release of any of the Obligations, or of any Guarantor or other person liable therefore, by reason of bankruptcy or insolvency laws or otherwise;

c. The acceptance or release, with or without substitution, by LFUCG of any collateral security or other guaranty, or collateral security for such other guaranty, or any exchange, settlement, compromise or extension with respect to any collateral security, other guaranty or collateral security for such other guaranty;

d. The application or allocation by LFUCG of payments, collections or credits on any portion of the Obligations regardless of what portion of the Obligations remains unpaid;

e. The creation of any new Obligations covered by this guaranty or renewal of any existing Obligations, or the amendment or modification of any provision or term of the Loan Agreement, Note or any other Company's Document, with or without notice to Guarantor;

f. The making of a demand, or absence of demand, for payment of the Obligations or giving, or failing to give, any notice of dishonor or protest or any other notice, including any notice regarding the disposition

of any collateral acting as security for the incentive funding. Guarantor unconditionally waives:

- i. Any subrogation of the rights of LFUCG against the Company, until all of the Obligations have been satisfied in full;
 - ii. Any acceptance of this guaranty; and
 - iii. Any set-offs of counterclaims against LFUCG which would impair LFUCG's rights against the Guarantor hereunder.
8. It is expressly understood and agreed that LFUCG shall have the right to select, in its absolute discretion, the portion of the Obligations to which this guaranty will apply, regardless of what portion of the Obligations remains unpaid; to the extent other guarantors exist, LFUCG may, at its sole option, release another Guarantor and may proceed against any Guarantor hereunder without impairing the liability of any other guarantors of the Obligations or the right of contribution among the guarantors. Guarantor consents to personal jurisdiction in any court in which enforcement of this guaranty may be sought.
9. No invalidity, irregularity or unenforceability of all or any part of the Obligations hereby guaranteed or of any security thereof shall affect, impair, or be a defense to this guaranty, and this guaranty is a joint and several, primary obligation of Guarantor.
10. Guarantor hereby grant to LFUCG a lien on and a continuing security interest in all instruments, documents, securities, cash, general intangibles, property, and the proceeds of any of the foregoing, owned by Guarantor or in which Guarantor has an interest, which now or hereafter are at any time in possession or control of LFUCG, or in transit by mail or carrier to or from LFUCG or in the possession of any third party on behalf of LFUCG, without regard to whether LFUCG received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, or whether LFUCG had conditionally released the same, all of which shall at all times constitute additional security for the Obligations of the Company and the obligations of Guarantor hereunder, and all of which may be applied at any time without notice to the Company or to Guarantor to the Obligations of the company in such order as LFUCG may determine.
11. No amendment, modification, or waiver of this Guaranty Agreement shall be deemed to be made by LFUCG unless in writing signed by an authorized officer of LFUCG, and any such amendment, modification, or waiver shall be strictly construed. No waiver by LFUCG shall be construed or deemed to be a waiver of any other provision or condition

Notary Public
My commission expires: _____