

INCENTIVE AGREEMENT

THIS INCENTIVE AGREEMENT ("Incentive Agreement"), dated as of this 8th
day of July, 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

RalphVR Inc.
a Delaware Corporation
348 East Main Street
Lexington, KY 40507
("Organization")

And

Richard E. Hoagland
Individually, and as Guarantor for RalphVR Inc.
[Address]
("Guarantor")

Recital

This Incentive Agreement provides for a forgivable loan in the amount of one hundred thousand dollars and zero cents (**\$100,000.00**) from LFUCG to RalphVR Inc., (hereinafter "Organization") 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 Incentive Agreement and to make the Incentive, the Organization 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 Organization'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 Date" shall mean the date certain that the Organization has met the requirements of and has executed Exhibit A, which is attached hereto and incorporated herein by reference.

"Application" shall mean the Organization'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 Organization 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 Incentive by LFUCG to Organization.

"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 Incentive Agreement.

"Full Time Job" shall mean a job held by a person employed (an employee) 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 Richard E. Hoagland, who shall provide a personal guaranty for the outstanding principal of loan and note for a time period of ten years from the 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.

"Hire" or its derivative shall mean the creation of a new Full Time Job in Lexington-Fayette County.

"Incentive" shall mean the forgivable loan in the principal amount of \$100,000.00 from LFUCG to the Organization as further provided in Section 2 of this Incentive Agreement, as evidenced by the Note attached as Exhibit C to this Agreement.

"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 Organization, business organization, or other entity.

“Project” shall mean the certain project consisting of the Organization’s acquisition, construction, equipping, and staffing of a facility within Fayette County, Kentucky.

“Project Site” shall mean a facility located in Lexington, Fayette County, Kentucky, together with all improvements and fixtures attached thereto. The Company shall provide the location of the site along with sufficient evidence of use prior to the initial distribution of funds by LFUCG.

“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 Incentive

LFUCG agrees to provide the Organization with a forgivable loan (the Incentive) in accordance with the terms and condition of the Incentive Documents, as follows:

2.1 Amount. The principal amount of the Incentive shall be up to a maximum amount of one hundred thousand dollars and zero cents (**\$100,000.00**) 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 incentive 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 Incentive shall be made by LFUCG to the Organization in two (2) draws. The first draw shall be fifty thousand dollars and zero cents (\$50,000.00) upon activation of the incentive, the hiring of the

first two (2) employees, and the provision of evidence indicating the Organization has entered into a long-term lease (not a month-to-month agreement) for the Project Site. The subsequent and final 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 three (3) additional employees have been hired since the prior request for disbursement. LFUCG shall have the sole authority to make any determination regarding the satisfaction of the above conditions prior to disbursing any funds under this Agreement. 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 Incentive set forth in Article 7 of this Agreement and in each of the other Incentive Documents, and (iii) LFUCG has received properly completed and executed copies of Exhibits A and D 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 Interest Payments. Interest on the Incentive shall be paid in forty (40) consecutive quarterly installments, 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 Organization, provided the change does not reduce the amount repaid to LFUCG by the Organization. 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 Organization, shall be calculated as the amount of interest required by Section 2.2 of this Agreement on the distributions already made at the time of the payment. The first payment shall be due beginning three (3) months from the date of the initial disbursement of funds to Organization. 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 Organization with a written notice of demand of the balance owing.

Beginning five (5) years after the date of the initial disbursement of incentive funds to Organization, and every year thereafter, twenty percent (20%) of the outstanding original principal debt shall be forgiven if Organization 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 Prepayment. The Organization shall have the right at any time and without penalty 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 Incentive in reverse order of their maturity. Prepayments shall not relieve the Organization from the

duty to make consecutive payments in the amount provided in accordance with Section 2.4, but shall operate to discharge the Organization's obligation at an earlier date.

2.6 Late Charges. If the Organization fails to pay any installment required under the Note within ten (10) days after the date such a payment first becomes due, the Organization 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 Incentive Agreement by the Guarantor.

SECTION 3 General Covenants

The Organization 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 Organization 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, including moving to another location (a new Project Site) within Lexington-Fayette County;
- (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 Organization 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 Organization shall make its business records available to LFUCG for inspection on a confidential basis. During the term of the Incentive, the Organization shall furnish to

LFUCG annual financial reports prepared by the Accountant in a form satisfactory to LFUCG. With the annual report, the Organization 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 Organization 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 Organization 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 Organization 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 Organization's property, unless the Organization 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 Organization 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 Organization 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 Organization 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 Organization'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 Organization shall create at least five (5) new Full Time Jobs, as defined Section 1 of this Agreement, which shall have a mean hourly wage of at least \$41.00, earned from work performed within Lexington-Fayette County, exclusive of all benefits and other forms of compensation, including without limitation bonuses and commissions. The Organization shall hire employees to fill the new Full Time Jobs in Lexington-Fayette County by the deadlines established in the job creation schedule outlined in Exhibit B (three (3) years following the date of this Incentive Agreement), and further agrees to maintain said jobs for a period of ten (10) years, or until the entirety of the incentive proceeds have been repaid, as further provided in Exhibit B and certified in the Compliance Form, attached as Exhibit D.

Should the Organization fail to create the required number of Full Time Jobs by the dates established in 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 Incentive 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 Organization 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:
$$\frac{\$41.00 - \text{Actual Average Hourly Wage}}{\$41.00} \times \frac{\text{Outstanding Principal}}{\text{Years Remaining}} = \text{Repayment Penalty}$$

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 Organization 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 Organization's account and such amounts deducted from the principal and interest owed under this Incentive Agreement.

- (b) Default. LFUCG may elect to treat the Organization'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 Organization 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 Organization, and Project Site, to the extent its headquarters and the Project Site differ, shall remain in Lexington-Fayette County for the entirety of the Incentive's term.

3.11 Indemnification. The Organization 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 Organization'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 Organization acknowledges and agrees that this indemnity provision shall survive the termination of this agreement.

SECTION 4 Representations and Warranties

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

4.1 Existence. The Organization 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 Organization's ability to meet its obligations hereunder. The Organization 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 Organization 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 Organization 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 Organization's execution or delivery of the Incentive Documents nor the performance or observance by the Organization 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 Organization is a party on behalf of the Organization 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 Organization 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 Organization 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 Organization'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 Organization 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 Organization'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 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 Organization's operations for the respective fiscal period then ending. Since the date of their preparation, there has been no material adverse change in the Organization's financial condition, properties, or businesses.

4.5 Default. No Event of Default exists under this Incentive 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 Organization 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 Organization to make payments of under the Note or this Incentive 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 Organization 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 herein) after LFUCG has given written notice thereof to the Organization. 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 Incentive Documents to which Organization 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 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 Organization, 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 Organization from LFUCG.

5.5 Dissolution or Termination of Existence. If the Organization or any person, firm, or corporation controlling the Organization takes any action that is intended to result in the Organization'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 Organization 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 Organization 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 Organization'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 Organization 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 Organization 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 Incentive 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 Organization 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 Organization'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 Organization shall have observed or complied with all provisions of this Incentive Agreement.

7.4 Insurance Policy. The Organization 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 Organization 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 Organization at the Project Site, and the number of hours worked by those employees. The Organization hereby releases OET from any and all responsibility for disclosing to LFUCG the information requested in connection with this Incentive Agreement.

7.6 Corporate Existence and Authorization. The Organization 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 Organization of any of their respective rights or duties under this Agreement or the other Incentive 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 Organization'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 Organization 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 Organization 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 Organization 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 Organization may not assign its rights under this Incentive Agreement to any other party without the prior written consent of the LFUCG, which consent shall not be unreasonably withheld or delayed. This Incentive Agreement may be modified only in a writing executed by LFUCG and the Organization.

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 Organization: RalphVR Inc.
348 East Main Street
Lexington, KY 20507

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 Organization 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 Organization 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 Date, and continue until the first date on which the Incentive and all accrued interest thereon shall have been paid in full and the Organization 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 Organization. The Organization 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 Organization have executed this Incentive Agreement as of the day, month and year first above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: Linda Gorton

Printed Name: Linda Gorton

Title: Mayor

ORGANIZATION:

RalphVR Inc.

By: Richard Hoagland

Printed Name: Richard Hoagland

Title: CEO

Richard E. Hoagland
Richard E. Hoagland, President
RalphVR Inc.

ATTEST:

Maddie Stock
Council Clerk

COMMONWEALTH OF KENTUCKY)

COUNTY OF Fayette)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this 10 day of June, 2022 by Richard Hoagland of RalphVR Inc., for and on behalf of said Organization, which is registered to do business in Kentucky.

Thomas KYUP25631
Notary Public
My commission expires: March 15, 2025

EXHIBIT C

PROMISSORY NOTE

Borrower: RalphVR Inc., of 348 East Main Street, Lexington, KY 40507
(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 _____, 2022, (the "Incentive Agreement"), up to the maximum sum of \$100,000.00 USD, plus any penalty, interest, costs, fees, charges provided for in the Incentive 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 Incentive 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 Incentive 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. If the Borrower remains in compliance with the terms of the Incentive Agreement, twenty percent (20%) of the outstanding original principal amount shall be forgiven at the end each year, beginning on the fifth year.
5. If the Borrower has outstanding principal at the end of year ten (10), or at any point that operations cease in Lexington-Fayette County, the Borrower shall repay the balance of the Note to the LFUCG.
6. 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.
7. 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 additional interest of twelve (12) percent per annum from the date of demand until paid.

8. 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.
9. This Note will be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.
10. 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 CEO of RalphVR Inc., a Delaware Corporation, on this 10th day of June, 2022.

RalphVR Inc.

By: 

Printed Name: Richard Hoagland

Title: CEO

COMMONWEALTH OF KENTUCKY)

COUNTY OF FAYETTE)

The foregoing Certificate was sworn to, subscribed and acknowledged before me on this 10 day of June, 2022, by Richard Hoagland of RalphVR Inc., for and on behalf of said company, which is registered to do business in Kentucky.

Xmen KY025631
Notary Public
My commission expires: March 15, 2025

EXHIBIT E

GUARANTY AGREEMENT

This is a personal guaranty by Richard E. Hoagland, whose mailing address is ^{549 Sheridan Dr.} Lex. KY 40513 (the "Guarantor") running in favor of the Lexington-Fayette Urban County Government ("LFUCG") as security for the funds provided to RalphVR, Inc. (the "Company") by LFUCG pursuant to the Incentive 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 of 348 East Main Street, Lexington, Kentucky 40507 desires to transact business with and to obtain funding through a forgivable loan from the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, 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 Incentive 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 Thousand and N0/100 Dollars (\$100,000.00) (the "Note"); and

WHEREAS, LFUCG is unwilling to provide the subject loan unless the undersigned Guarantor shall absolutely, 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, Incentive Agreement and other Company's Documents, including interest thereon as provided therein, reasonable attorneys' fees, 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 Thousand and No/100 Dollars (\$100,000.00), plus all accrued but unpaid interest, 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, 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 LFCUG 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 Incentive 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 grants 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 have 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: March 15, 2025