

KENTUCKY ANGEL INVESTMENT ACT
QUALIFIED SMALL BUSINESS AGREEMENT

This QUALIFIED SMALL BUSINESS AGREEMENT ("Agreement"), dated as of December 7, 2016, is made by and between the KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ("KEDFA"), a public body corporate and politic created under Section 154.20-010 of the Kentucky Revised Statutes ("KRS"), with an address of Old Capitol Annex, 300 West Broadway, Frankfort, KY 40601, and GOURMET RENEE LLC (the "Small Business"), a Kentucky limited liability company, with its principal place of business within the Commonwealth of Kentucky ("Commonwealth") located at 322 Elm Street, Ludlow, KY 41016.

WHEREAS, KEDFA has all the powers, duties, and responsibilities delegated to it by the Kentucky Economic Development Partnership or as otherwise provided by law; and

WHEREAS, the Kentucky General Assembly enacted the Kentucky Angel Investment Act, KRS 154.20-230 to 154.20-240 (the "Act"), to provide tax credits for certain investments in small businesses located in the Commonwealth operating in the fields of knowledge-based, high-tech, and research and development, and showing a potential for rapid growth; and

WHEREAS, KEDFA is authorized by KRS 154.20-236 to enter into this Agreement to carry out and effectuate the purposes and provisions of the Act; and

WHEREAS, the Small Business has requested to participate in the Kentucky Angel Investment Act program (the "Program");

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality, and sufficiency of all of which is hereby acknowledged by the parties hereto, KEDFA and the Small Business hereby agree as follows:

1. **Qualified Small Business.** Small Business was certified by KEDFA as a "qualified small business" pursuant to the Act on December 7, 2016.
2. **Compliance with Securities Laws.** Small Business confirms that it has reviewed applicable federal and state securities laws and regulations related to the offering of an investment opportunity and agrees that all investment opportunities offered by said Small Business will be offered in compliance with such laws.
3. **Annual Reporting Requirement.** Small Business agrees that, on or before February 1 of the calendar year succeeding the year in which a tax credit under the Act is awarded to any "qualified investor" in the Small Business, and continuing for four (4) years thereafter, it shall file an annual report with KEDFA setting forth the information required by KRS 154.20-240 and in a form set forth by KEDFA.
4. **Notification of Insolvency.** Small Business agrees that if it becomes insolvent and ceases operations at any time before the final required annual report is due, it shall file a written report with KEDFA attesting to that fact and shall thereafter be exempt from the annual report required by KRS 154.20-240.
5. **Change in Circumstances or Information Provided in Application.** In order to maintain active certification, the Small Business agrees to notify KEDFA within thirty (30) days of any change in the information contained in its application for certification as a qualified small business under the Act. Such notification shall be in writing to KEDFA. Changes that shall be reported include, but are not

limited to, changes in ownership, address or location, federal employer identification number, contact person, or other material changes in any of Small Business's circumstances that may impact eligibility under the Program.

6. **Supporting Documentation.** Small Business agrees to exercise due diligence in the collection and provision of supporting documentation regarding the Program. In addition to the reporting required herein, the Small Business agrees to submit any other documentation requested by KEDFA to verify compliance with the Program. KEDFA has the right to inspect any and all records relating to the Program.

7. **Term of Agreement.** This Agreement shall commence as of the date set forth above and shall continue until the Small Business shall have fully performed each of its respective obligations hereunder.

8. **Covenants, Representations, and Warranties.** Each and every covenant, representation, and warranty made by or on behalf of Small Business to KEDFA shall be true, complete, and correct in all material respects on and as of the date set forth above. Small Business shall have complied with all provisions of this Agreement and the laws of the Commonwealth and the United States.

9. **Authority to Act.** Small Business is registered, if registration is required for legal form of entity, and in good standing to transact business in the Commonwealth and in all other states in which it is required to be so qualified. Small Business has the full power, capacity, and authority to execute and deliver this Agreement, and to observe and to perform this Agreement in accordance with its terms and conditions.

10. **Default.** If (a) any covenant, representation, or warranty made by Small Business to KEDFA shall at any time be false or misleading in any material respect; or (b) there is an error or omission in the application for qualified small business certification; or (c) Small Business fails to keep, observe, or perform any of the obligations, terms, covenants, representations, or warranties set forth in this or any other Agreement with KEDFA; or (d) Small Business admits in writing its inability to pay its debts generally as they become due, has an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, commences a proceeding under any other federal or state bankruptcy, insolvency, reorganization, or other similar law, makes an assignment for the benefit of creditors, or has a receiver or trustee appointed for it, such event shall be an Event of Default. Upon the occurrence of an Event of Default, Small Business's certification as a qualified small business under the Act will be suspended and KEDFA shall have the right to terminate this Agreement or exercise any other rights or remedies that may be available to it under applicable laws.

11. **Indemnification.** Small Business shall indemnify, defend, and save harmless KEDFA, its directors, officers, agents, and employees from all loss, liability, or expense (including the fees and expenses of in-house or outside counsel) arising out of or in connection with Small Business's execution and performance of this Agreement. Small Business acknowledges that the foregoing indemnities shall survive the termination of this Agreement.

12. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each of the remaining provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law.

13. **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 Small Business of any of its rights and duties under this Agreement.

14. **Modification.** This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements among them concerning the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.

15. **No Assignment.** Small Business may not assign its rights under this Agreement without the prior written consent of KEDFA. This paragraph shall not be deemed to prohibit an assignment by operation of law.

16. **Notices.** All notices, requests, demands, waivers, and other communications given as provided in this Agreement shall be in writing and shall be deemed sufficiently given for all purposes if sent by U.S. mail, postage prepaid, or by electronic mail to the intended recipient at (a) the address set forth in the preamble to this Agreement; or (b) such other address or electronic mail address which any party hereto may specify by written notice to the other party in accordance with this paragraph.

17. **Governing Law, Jurisdiction, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth. The parties hereto agree that any suit, action, or proceeding with respect to or related in any way to the Act or the Program may only be brought in or entered by, as the case may be: (a) the courts of the Commonwealth situated in Frankfort, Franklin County, Kentucky; or, (b) the United States District Court for the Eastern District of Kentucky, Frankfort Division, and the parties hereby submit to the jurisdiction of such courts 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 Agreement brought in the courts of the Commonwealth situated in Frankfort, Franklin County, Kentucky, or the United States District Court for the Eastern District of Kentucky, Frankfort Division, 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.

18. **Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the Program and may be modified only by a written instrument duly executed by each of the parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names by duly authorized representatives as of the date set forth above.

GOURMET RENEE LLC



Signature



Printed Name



Title

KENTUCKY ECONOMIC DEVELOPMENT FINANCE
AUTHORITY



Signature



Printed Name



Title