

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made as of March 14, 2013 between the undersigned parties for the terms of a build to suit lease (the “Lease”) for the use and occupation of premises located at the existing linen mill buildings located at 946 Goss Avenue, Louisville, Kentucky (the “Buildings”) and the land proximate to the Buildings (the “Land”) by Family Fish Farms Network, or its designee or designees, as Tenant.

The parties hereto agree that pursuant to recent discussions, Developer (as described below) will provide for the redevelopment and lease of certain space at the Buildings for use by Tenant (as described below) as the headquarters, the demonstration and training center for the Family Fish Farms Network aquaponics initiative, community center and commercial kitchen with related mushroom farming and ancillary activities.

1. **Landlord.** An entity, to be identified as the joint venture owner composed of the current property owner (“Booker Family”) and Underhill Assoc (“Developer”) as the owner of fee simple title to the Buildings and the land on which the Buildings are located.

2. **Tenant.** An entity (or entities) to be identified and formed by the Family Fish Farms Network.

3. **Demised Premises.** Approximately 53,000 square feet to be configured as required by Tenant within the Buildings and on the Land in locations mutually agreed upon by Landlord and Tenant and may include approximately 15,000 square feet of second floor space.

4. **Rent Commencement.** Base Rent shall be abated for the first eighteen (18) months following the Rent Commencement Date. Subject to abatement of Base Rent for the first eighteen (18) months, the Rent Commencement Date shall be the earlier to occur of (a) the date Tenant opens for business at the Demised Premises and (b) one hundred twentieth (120) day following the date Landlord has completed Landlord’s Work and delivered possession of the Demised Premises to Tenant substantially complete.

5. **Base Rent.**

Family Fish Farm Lease Base Rent			
Months	Rent/Ft.	Square Feet	Rent
0-18	\$ -	53,061	\$ -
19-36	\$ 5.00	53,061	\$265,305
37-48	\$ 5.00	53,061	\$265,305
49-60	\$ 5.00	53,061	\$265,305
61-72	\$ 6.00	53,061	\$318,366
73-84	\$ 7.00	53,061	\$371,427
85-96	\$ 8.00	53,061	\$424,488
97-108	\$ 9.00	53,061	\$477,549
109-120	\$ 10.00	53,061	\$530,610

6. **Term.** The initial Term of the Lease shall be ten (10) years. Tenant, at its sole option shall be entitled to two (2) successive options of five (5) years each.

7. **Naming Rights.** Tenant shall have the right to convey naming rights for any or all three of the Buildings for all or part of the Lease term, with all consideration from such naming to be paid to Tenant or as directed by Tenant.

8. **Landlord's Work.** Landlord, at its sole cost and expense shall perform all commercially reasonable improvements including without limitation the finishes to prepare the Demised Premises for Tenant ("Landlord's Work") other than the acquisition and installation of Tenant's fixtures, furniture and equipment ("FF&E"). Tenant shall only be responsible for its FF&E. Landlord estimates substantial completion of Landlord's Work within twelve (12) months from issuance of a building permit for Landlord's Work, subject to force majeure. Landlord shall perform Landlord's Work in accordance with laws and in accordance with specifications reasonably approved by Tenant. The architectural, mechanical and electrical plans and specifications for the layout, improvements and fixtures for Landlord's Work shall be prepared by the architecture and engineering team mutually agreed upon by Landlord and Tenant and all hard and soft costs shall be paid by Landlord as a part of Landlord's Work. Within not more than thirty (30) days following execution of the Lease, Tenant will meet with Landlord and the design and construction team for the Building, to provide to Landlord and the design and construction team, Tenant's specific uses and specifications for the Demised Premises, in sufficient detail for preliminary plans for Landlord's Work. Landlord shall cause preliminary plans for Landlord's Work based on Tenant's specifications to be prepared and forwarded to Tenant within forty-five (45) days following Landlord's receipt of Tenant's specifications as provided above. Tenant shall approve the preliminary plans for Landlord's Work along with any comments within fifteen (15) days after Landlord's delivery of the same to Tenant. Thereafter, Landlord shall cause the final plans for Landlord's Work to be prepared, sufficient for submission for permits, within one hundred twenty (120) days following approval of the preliminary plans. Landlord and Tenant agree that the selected general contractor shall be approved by Tenant. Landlord's obligations to commence construction of Landlord's Work shall be conditioned upon reasonable confirmation that Tenant or its parent has received adequate commitments for its capital structure including grant funding.

9. **Delivery of Possession.** Landlord shall deliver possession of the Demised Premises to Tenant, with Landlord's Work substantially completed, not later than a date certain to be agreed upon by Landlord and Tenant (the "Expected Possession Date") and not later than twelve (12) months from issue of a building permit for Landlord's Work. Landlord shall give Tenant ninety (90) days prior written notice of the date Landlord will actually deliver the Demised Premises with Landlord's Work substantially complete and ready for installation of the FF&E.

10. **Term and Renewal Option.** The Lease shall be effective on the date it is fully executed by both parties. The Base Term shall commence on the Rent Commencement Date. Provided Tenant is not in default of its obligations under the Lease, Tenant shall have two (2) options to renew the term of the Lease for consecutive five (5) year periods, to the extent exercised, by providing Landlord with written notice of its election to renew the Lease, not less than one (1) year prior to the expiration of the initial term of the Lease. Annual Fixed Rent for

the first renewal term shall be the Fixed Rent for the previous year plus \$1 per square foot. Annual Fixed Rent for the second renewal term shall be an amount mutually agreed upon by Landlord and Tenant during the six (6) month period preceding the second renewal term. The renewal term shall be upon all of the terms and conditions applicable to the initial term other than for Base Rent, which shall be as set forth above.

11. **Parking and Signage.** Landlord and Tenant shall agree upon appropriate parking for easy and safe access as well as for adequate and appropriate signage.

12. **Utilities and Operating Expenses.** The Demised Premises shall be separately metered or submetered for all utilities. Tenant shall pay a portion of common area maintenance costs, real estate taxes and insurance allocated on a mutually agreed upon basis by Landlord and Tenant in the Lease.

13. **Structural.** Landlord shall be responsible for the maintenance, repair and replacement of the exterior and structure of the Demised Premises, including, but not limited to, the ceiling, gutters, flashings, support columns, footers, outer walls (except windows, doors and their frames), exterior, lights and subfloor. Landlord shall maintain all exterior utility and services lines necessary for the operation of the Demised Premises.

14. **Use.** Tenant shall occupy and use the Demised Premises for its headquarters, demonstration of aquaponics, mushroom farming and training/community center and commercial kitchen and uses ancillary thereto. Tenant shall have full access to the building and the Building's facilities 24/7 and for every day of the year.

15. **New Market Tax Credit Compliance.** Tenant acknowledges that the Lease will incorporate by reference, and include as an exhibit, appropriate provisions for qualification for New Market Tax Credits.

16. **Assignment and Subletting.** Tenant may, at its election, have the right to sublet a portion of the Demised Premises up to a maximum of 10% of the total square feet of the Demised Premises, subject to the consent of Landlord, which shall not be unreasonably withheld or delayed.

17. **Title, Zoning, Environmental.** Landlord, at its sole cost and expense, shall provide to Tenant evidence of title, zoning, environmental matters and entitlements as soon as reasonably possible.

18. **Conditions.** Tenant's obligations will be conditioned upon its receipt of adequate CDBG funds. Landlord's obligations will be conditioned upon receipt of a reasonably satisfactory commitment for New Market Tax Credits.

19. **Brokers.** The parties hereto represent and warrant to each other that no broker was instrumental in consummating this Memorandum of Understanding and that neither party has had any conversation or prior negotiations with any broker concerning the leasing of the applicable Demised Premises. Each party shall protect, indemnify, save and hold harmless the other against and from all liabilities, claims, losses, costs, damages and expenses, including

attorneys' fees, arising out of, resulting from or in connection with a breach of the foregoing representation and warranty.

20. **Confidentiality**. This Memorandum of Understanding and its contents are to be kept in confidence. Only the parties involved and their representatives, lawyers, and lenders, and then only on a need-to-know basis, may be informed of the terms of this Memorandum of Understanding.

21. **Binding Agreement**. This Memorandum of Understanding is provided as the foundation for commencement of a lease of the Demised Premises, to be negotiated and finalized in good faith by Landlord and Tenant. If at any time the parties are unable to come to an agreement for the Lease, either party may terminate this Memorandum of Understanding by written notice to the other party and thereafter neither party shall have any obligation hereunder. Developer shall direct its counsel to prepare a lease consistent with the terms set forth herein for review by Tenant on or before May 15, 2013.

IN WITNESS WHEREOF, the undersigned have entered into this Memorandum of Understanding as of March 14, 2013.

**TENANT:**

The Family Fish Farms Network

By: \_\_\_\_\_  
Jerome Peloquin, its \_\_\_\_\_

**LANDLORD/DEVELOPER:**

Underhill Associates

By: \_\_\_\_\_  
Jeffrey A. Underhill  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_