

AGREEMENT FOR LOAN OF MINNESOTA INVESTMENT FUND
FIRST AMENDMENT

This First Amendment to Loan of Minnesota Investment Fund is made and entered into on the date of attestation by the City Clerk, by and between the City of Duluth (the "City") and Grandma's, Inc. (the "Borrower").

WHEREAS, on June 20, 2013, the parties entered into an agreement (the "Agreement") pursuant to which Borrower was provided a MIF loan to help repair and renovate its building located at 2202 Maple Grove Road in Duluth which was damaged by the rain event of June 21 – 22, 2012; and

WHEREAS, the majority shareholder of Borrower executed a personal guarantee which provided that in the event of default the guarantor would repay any overdue installments or the entire amount of principal and interest due and payable; and

WHEREAS, there is a new majority shareholder of Borrower, and Borrower desires that the new majority shareholder provide the guarantee and that the former majority shareholder be released.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties do agree as follows:

1. That the definition of the term "Personal guarantee" is hereby amended as follows:

"Personal guarantee" means the guarantee of Andy Borg Jr. ~~Michael J. Paulucci~~ that, in the event of Borrower's default with respect to this Agreement, Andy Borg Jr. ~~Mr. Paulucci~~ shall repay any overdue installment or installments, or the entire amount of principal and interest, that are due and payable.

2. That Section 4.4 Personal Guaranty, is hereby amended as follows:

Section 4.4 Personal Guaranty. Borrower shall provide City with a fully executed guaranty by Andy Borg Jr. ~~Michael J. Paulucci~~, as Guarantor, in favor of the City of Duluth pursuant to which Guarantor unconditionally guarantees to the City the repayment obligation of the City to DEED pursuant to this Agreement and any extensions, renewals or replacement hereof, for a total amount of the loan (\$197,863) or such portion thereof that remains unpaid for a period running until July 21, 2023, which is of 10 years after the Initial Disbursement Date ~~from the issuance of the Certificate of Completion~~. The form of guarantee is attached hereto as Exhibit EE.

3. That the personal guarantee of Michael J. Paulucci is hereby released, and Exhibit E is replaced in its entirety by Exhibit F.

4. Except as provided in this Amendment, all terms and conditions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in their name and behalf.

CITY OF DULUTH

GRANDMA'S INC.

By: _____
Its: Mayor

By: _____
Its: _____

Attest:

City Clerk

Approved:

Assistant City Attorney

Countersigned:

City Auditor

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by Emily Larson and Jeffrey J. Cox, the Mayor and Clerk, respectively of the City of Duluth, a municipal corporation organized and existing under the laws of the State of Minnesota, on behalf of the City.

Notary Public

[illegible]

The foregoing instrument was acknowledged before me on this ____ day of _____, 2017, by _____, the _____ of Grandma's Inc., A Minnesota corporation, on behalf of the corporation.

Notary Public

Drafted by:
Joan Christensen
Attorney for City
410 City Hall
Duluth, MN 55802
218-730-5490

EXHIBIT F

PERSONAL GUARANTY

Andy Borg Jr. herby absolutely and unconditionally personally guarantees to the City of Duluth the payment, and not merely the collection, of the debts and obligations of Grandma's Inc. payable under Article 5 of the Agreement for Loan of Minnesota Investment Fund dated June 20, 2013 between the City of Duluth and Grandma's Inc. (the "MIF Agreement") for a period running until July 21, 2023, which is ten (10) years after the Initial Disbursement Date as defined in the MIF Agreement.

Dated this _____ day of January, 2017.

Andy Borg Jr.

[illegible]

The foregoing instrument was subscribed and sworn before me this _____ day of January 2017 by Andy Borg Jr.

Notary Public