

**SECOND AMENDMENT TO LOAN AGREEMENT  
MINNESOTA INVESTMENT FUND**

THIS SECOND AMENDMENT TO LOAN AGREEMENT ("Second Amendment"), entered into as of the date of attestation by the City Clerk, is by and between the CITY OF DULUTH, a municipal corporation under the laws of the State of Minnesota ("City" or "Lender"); and SOFIDEL AMERICA CORP, a Florida corporation ("Borrower"), the successor in interest to ST PAPER 1, LLC ("Original Borrower").

WHEREAS, on October 5, 2022, Lender and Original Borrower entered into that certain Minnesota Investment Fund Loan Agreement dated October 5, 2022 ("MIF Loan Agreement") (City Contract Number 24414) and promissory note dated October 5, 2022 ("Promissory Note"); and

WHEREAS, the parties subsequently entered into that certain Amendment to Loan Agreement and Promissory Note and Release of Guarantors dated \_\_\_\_\_, 20\_\_ (the "First Amendment") to amend the MIF Loan Agreement for the purposes of the City supporting Original Borrower's sale of the real property at 100 North Central Avenue, Duluth, Minnesota (the "Development Property") to Borrower, and substituting Borrower for Original Borrower as a party to the MIF Loan Agreement, Promissory Note, and binding Borrower to all the terms and conditions of the MIF Loan Agreement and releasing Tak Investments, Inc., as corporate guarantor, and Sharad Tak, personally, from the guaranty agreements they undertook as regards the MIF Loan Agreement; and

WHEREAS, City and Borrower have worked with the Minnesota Department of Employment and Economic Development ("DEED") to align the MIF Loan Agreement and its terms with the Borrower's current job structure, and align the timelines with those agreed to by City and DEED.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Second Amendment, the parties hereto agree to amend the Loan Agreement, as amended by the First Amendment, as follows:

1. Section 1.1 "Definitions" is amended, in part, as follows:

"Compliance Date One" means ~~April 1, 2025~~ April 1, 2026.

2. Section 6.1 "Payment Requestion Documentation" is amended as follows:

Section 6.1. **Payment Requisition Documentation.** The Lender will disburse the loan funds upon receipt and approval by the Lender and the State of the following documentation:

- (a) This Loan Agreement; fully executed;
- (b) The Promissory Note,
- (c) The Security Agreement;
- (d) ~~The Personal Guarantee of Sharad Tak~~ **INTENTIONALLY OMITTED;**
- (e) The Corporate Guarantee of ~~Tak Investment Holdings, LLC~~ Sofidel S.p.A.
- (f) Evidence of equity injection in the amount of at least \$8,000,000

- (g) Promissory notes from the City in the amount of # \$242,000
- (h) Invoices evidencing the purchase of the Equipment.
- (i) TIF Agreement of evidence of other public financial assistance (if applicable)
- (j) The Borrower shall maintain insurance in adequate amounts covering loss or damage to collateral. Provide evidence that the Lender has been listed as loss payee.

3. Section 8.1(a)(7) is amended as follows:

- (7) The Borrower does have parent corporation.  
 Name of Parent: ST Paper LLC, Sofidel S.p.A.  
 Address of parent: 106 E Central Ave, Via Giuseppe Lazzareschi 23  
Oconto Falls, WI 54154 55016 Porcari (LU) Italy

4. Section 8.1(b) is amended as follows:

- (b) On the Compliance Dates, the Borrower shall have:
  - ~~(1) Maintained Ten (10) permanent, non-contract, non-seasonal FTE jobs; and~~
  - ~~(2) (1) Retained and/or Created at least eighty (80) New Jobs permanent, non-contract, non-seasonal FTE jobs~~ at the Development Property with each job noted once within “wage brackets” as stated below:
    - ~~(a) Four (4) jobs paying at least \$28 per hour in cash wages, exclusive of Benefits.~~
    - ~~(b) Forty-four (44) jobs paying at least \$30 per hour in cash wages, exclusive of Benefits.~~
    - ~~(c) Two (2) jobs paying at least \$31 per hour in cash wages, exclusive of Benefits~~
    - ~~(d) Fifteen (15) jobs paying at least \$38 per hour in cash wages, exclusive of Benefits.~~
    - ~~(e) One (1) job paying at least \$38 per hour in cash wages, exclusive of Benefits~~
    - ~~(f) Six (6) jobs paying at least \$48 per hour in cash wages, exclusive of Benefits.~~
    - ~~(g) Seven (7) jobs paying at least \$50 per hour in cash wages, exclusive of Benefits.~~
    - ~~(h) One (1) job paying at least \$77 per hour in cash wages, exclusive of Benefits~~
    - (i) Twenty-two (22) jobs paying at least \$23 per hour in cash wages, exclusive of Benefits.
    - (ii) Ten (10) paying at least \$28 per hour in cash wages, exclusive of Benefits.
    - (iii) Sixteen (16) jobs paying at least \$30 per hour in cash wages, exclusive of Benefits.
    - (iv) Two (2) jobs paying at least \$31 per hour in cash wages, exclusive of Benefits.
    - (v) Six (6) jobs paying at least \$38 per hour in cash wages, exclusive of Benefits.
    - (vi) Twelve (12) jobs paying at least \$45 per hour in cash wages, exclusive of Benefits.
    - (vii) Four (4) jobs paying at least \$48 per hour in cash wages, exclusive of Benefits.
    - (viii) Seven (7) jobs paying at least \$50 per hour in cash wages, exclusive of Benefits.

(ix) One (1) job paying at least \$77 per hour in cash wages, exclusive of Benefits.

5. Except as provided in this Second Amendment, all terms and conditions of the MIF Loan Agreement, as amended by the First Amendment, shall remain in force and effect. All capitalized terms used but not defined in this Second Amendment shall have the meanings assigned to them in the MIF Loan Agreement. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original for all purposes, and all counterparts shall together constitute one and the same instrument. This Agreement shall be binding and effective upon the successor and assigns of the parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date shown below.

CITY OF DULUTH,  
a Minnesota municipal corporation

By: \_\_\_\_\_  
Roger J. Reinert, Mayor

Attest:

\_\_\_\_\_  
Alyssa Denham, City Clerk

Date Attested: \_\_\_\_\_

Countersigned:

By: \_\_\_\_\_  
Josh Bailey, City Auditor

Approved as to form:

By: \_\_\_\_\_  
Terri L. Lehr , City Attorney

SOFIDEL AMERICA CORP,  
A Florida corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_