



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	11/18/2020	Department	Planning/Economic Dev
Agenda Item	4.I Discussion Regarding the Current Grant Agreement with Hoppy Days LLC/John and Lynn Callinan		
Est. Cost	n/a		

Background Information

Hoppy Days LLC, John and Lynn Callinan, closed their business on Water Street in 2018, but have diligently been working on reopening Jokers & Rogues. In 2015, they made an Agreement with the City for a \$35,000 interest only loan. This loan had a five-year agreement with a fixed interest rate of 5.75%. There were chronological increments of forgiveness. Hoppy Days, LLC has passed the three-year time frame, so 25% of the loan should be forgiven.

In October 2018 the City Council unanimously agreed to allow a six month grace period and then start the time again on the agreement. In May 2019, the City Council unanimously approved to restart the five-year agreement with the closed time being added onto the agreement.

The City Council is being asked to extend this loan agreement for two-years (with an expiration of 11/18/2022) with the same terms and with the interest already being paid for year one. As we are all aware, COVID rules on tasting rooms has once again delayed his opening.

Attached to this agenda item are pertinent materials: support letter from Gardiner Main Street, original program agreement with the city, signed agreement with the Callinan's, and minutes from the two meetings that an extension was granted.

Requested Action	'I move to allow the loan agreement with Hoppy Days LLC to expire on November 18, 2022. All original terms of the agreement stand as previously agreed and interest has already been paid for year one.'
City Manager and/or Finance Review	The City Manager recommends the above action.
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____



November 5, 2020

Dear Gardiner City Council Members,

Gardiner Main Street recommends allowing the Gardiner Growth Initiative agreement between the City of Gardiner and Gardiner Main Street with John Callinan, DBA Hoppy Days, to continue for two more years with an end date of November 18, 2022.

John Callinan is a dedicated business and building owner who has been in Gardiner for 2015. Since then he has been a contributing member to the downtown business community. His commitment to running a successful business in Gardiner is clearly seen through his involvement in committees and meetings related to Gardiner's economic development. When Mr. Callinan has concerns in relation to his business, he shares them with both Gardiner Main Street and the City of Gardiner with open and civil communication and works to find a mutual agreement. Having a dedicated and involved business owner is a strong assist to have for the health of our downtown community.

There is no doubt that the economic impact of the coronavirus pandemic has affected Mr. Callinan's current venture to open a craft beer distillery and tasting room. As of this date, his tasting room is yet to be allowed to fully open due to the State of Maine's health and safety measures. With the many challenges he has faced over recent months, and after over a year of working on this venture, Mr. Callinan remains committed as a business owner and to his Gardiner Growth Initiative agreement. This proposed extension is fully supported by Gardiner Main Street.

Sincerely,
Melissa Lindley
Executive Director,
Gardiner Main Street

Tracey Desjardins

From: john-c@jokersandrogues.com
Sent: Friday, October 2, 2020 12:37 PM
To: clandes@gardindermaine.com
Cc: Tracey Desjardins
Subject: Loan To Hoppy Days LLC

Dear City Manager Landes:

First, I again want to thank you for allowing me to regroup and to develop a "new" business after having to close the retail craft beer shop. It has been a long, difficult, and costly process. The federal government shutdown in late 2019 followed by the Covid crisis delayed the approval process for both federal and State licensing by several months. It required more than six months to be licensed. Over the past several months I have spent more than six figures on infrastructure improvements (plumbing, electrical, construction, painting, etc.), brewing equipment and supplies, furnishings, and merchandise. Jokers and Rogues is now a fully operating brewery.

As you know from the recent ZOOM meeting with Commissioner Johnson, the only impediment to serving the public on premise is the restriction imposed by the pandemic. We remain hopeful that the support we received from both municipal and State officials to allow us safely serve the public eventually will have a positive effect. However, we are brewing and selling our product and merchandise. We have committed to providing 300 32oz. growlers to the Gardiner Main Street beer bags. We also are in the process of creating our own holiday gift packages to be sold online. And, after fulfilling our commitment to the Main Street program, we will be selling product curbside.

In other words Jokers and Rogues officially is an operating business. Therefore, I am requesting that the clock on the five year loan be turned back on effective October 1, 2020.

Again, I thank you for your patience and understanding. I also invite you to stop by and see our new operation.

Best Regards,

John

Christine Landes

From: Reinhart, Sarah <SReinhart@eatonpeabody.com>
Sent: Friday, September 14, 2018 12:22 PM
To: Christine Landes
Subject: RE: Hoppy Days LLC

Good morning.

Thank you for sending the grant agreement. If I infer correctly that the City wants to work out something with Hoppy Days and the Callinans so that a default isn't declared when the business closes then I'm happy I can tell you that the City can do that so long as Gardiner Main Street concurs to the work out. It is really up to the City, GMS, the borrower and guarantors (and perhaps the new business and new partner) but the following occurs to me:

- 1) Will the new business be the new borrower? The existing loan can be modified by having the new business assume the loan.
- 2) If so, will Hoppy Days and the Callinans be released? Perhaps Mr. Callinan at least will stay as a guarantor since he's involved in the new business?
- 3) Will Mr. Callinan's partner in the new business also be a guarantor?
- 4) Will the loan term (the forgiveness schedule in particular) re-start or just continue? In other words, will the loan term continue so that in May 2019 50% will be forgiven and in May 2020 100% will be forgiven, or will the loan term re-start so that the remaining 75% will be on a new 5-year schedule? (Please note that if you do the latter, the 1 years interest has still already been paid.)
- 5) Or perhaps a reduced sum to pay-off the loan is more palatable.

If I do not infer correctly that the City wants to work something out or if GMS does not want to work something out, a default can be declared so the full remaining outstanding balance may be pursued. Just like under the loan docs, a business closing is a default under the grant agreement and the City is responsible for pursuing remedies at GMS' expense.

Please do not hesitate to contact me with any questions or concerns.

Thanks,
Sarah

→ Follow up w/
John

From: Christine Landes [mailto:CLandes@gardinermaine.com]
Sent: Wednesday, September 12, 2018 8:42 AM
To: Reinhart, Sarah
Subject: RE: Hoppy Days LLC

Ms. Reinhart:

Per your request, please see attached.
Thank you!
Christine

Christine M. Landes, MBA/CMM
Manager
Gardiner

Christine Landes

From: Piper Panzeri <piper@gardinermainstreet.org>
Sent: Tuesday, September 18, 2018 8:20 PM
To: Christine Landes; Denise Brown
Subject: "Hoppy Days" are here again...

Hi Christine and Denise,

I met with John following our meeting; he will be keeping the LLC and assuming all liability for his next venture under Hoppy Days, LLC. He is willing to meet at your convenience for a follow up (next week will be best as he is still in the shop this week). Please let me know two dates/times that work best on your end and I will coordinate with him. I'm out of the office Wednesday for Yom Kippur but will respond first thing Thursday.

As an aside, when Camden Savings took over Maine Bank & Trust, they said "no way" to continuing the incentive program and retained the remainder of the funds. There you have it.

Thanks again,
Piper

Mayor Hart asked for any further discussion. Seeing none. All those in favor. 7-1 Councilor Rees opposed.

3. Discussion regarding the current Grant Agreement with Hoppy Days LLC/ John and Lynn Callinan

Hoppy Days LLC, John and Lynn Callinan, have closed their business on Water Street. In 2015, they made an Agreement with the City for a \$35,000 interest only loan. In October 2018, the City Council agreed to extend the agreement until 12/31/2018. This loan had a five-year agreement with a fixed interest rate of 5.75%. There were chronological increments of forgiveness.

As the City and Hoppy Days, LLC has passed the three-year time frame, 25% of the loan should be forgiven, however, Mr. Callinan, as primary holder of Hoppy Days LLC, has informed the City Manager that plans are in the works for another opportunity to occupy the space on Water Street. This opportunity will be opening in a couple of months with Mr. Callinan being the primary investor.

Mr. Callinan is asking the City to waive the default provisions at this time, and allow him to regroup and open another opportunity in the next couple of months. The City Manager would also like the City Council to allow her to sign the extension, as long as it is before 10/1/2019, restarting the agreement with the same terms, with the interest already being paid for year one and the period of time Hoppy Days LLC was closed being added on to the end of the agreement.

The City Manager recommends that Hoppy Days LLC be allowed to restart the five-year Agreement by 10/1/2019, on the same terms, with the time period Hoppy Days, LLC was closed being added onto the end of the Agreement and with the interest already being paid for year one. The City Manager is authorized to sign this Agreement.

John Callinan was present to speak briefly about the project.

Councilor Cusick moved to allow Hoppy Days LLC to restart the five-year Agreement with the opening of a new opportunity by 10/1/2019, on the same terms, with the interest already being paid for year one and the closed time period being added onto the end of the Agreement.

Councilor White seconded.

Mayor Hart asked for any further discussion. Seeing none. All those in favor. Unanimous.

4. Consider Approval of a Liquor License Renewal for Cobbossee Aerie #4330 F.O.E./Eagles Club

The renewal application is attached.

This Public Hearing was advertised on May 15, 2019.

Councilor Rees moved to approve the liquor license renewal for Cobbossee Aerie #4330 F.O.E./Eagles Club.

Councilor Berry seconded.

Mayor Hart asked for any discussion. Seeing none. All those in favor. Unanimous

Councilor Berry said he fully supports this position, but wants an honest comparison between part-time or full-time.

Mayor Harnett asked City Manager Landes if this is approved, will it come back to the Council.

City Manager Landes responded that the hiring will come out of the City Manager's office. The proposal of the chosen candidate by the City Manager's office will be brought to the Council for final approval.

Councilor Berry says some may want to only work 20 hours.

Mayor Harnett commented that he supports this position.

Councilor Hart supports the position and states that the city has been missing the skills of an Economic Development Director, but for everyone to remember having a tight budget and have even turned things down. She stated that she cannot vote on something that implies future council so that needs to be struck. Maybe we should look into contracted individuals not just W-2 employees.

Councilor Ault commented that when we approved this budget previously, I was not convinced that we needed a full-time position. I have come to the conclusion that a full-time is needed. Part-time might not attract the talent level that we are searching for at this time. We should be willing to explore possible regional services such as KVCOG.

Councilor Cusick said he is not sure he is comfortable budgeting \$65,000 for the FY20 next year. He is not sure it needs to be full-time, with benefits. He doesn't want to raise taxes to accommodate this position.

Peter Prescott – said the Council needs to consider a full-time Economic Director. In the late 1970's, the Economic Development Committee good things started happening around the City, and would hate to see us go backwards without a full-time position.

Councilor Ault commented that what Patrick Wright did it on a contract basis was impressive; he was part-time but is convinced he put in more hours. There may have been a level of burnout due everything asked of him.

Mayor Harnett stated that the Council is split on this decision. This item has been funded as we agreed to in the budget.

Councilor Hart stated that she did not vote for 'employee' during the budget and doesn't want to give any candidate a false security of the position for years to come, if it doesn't make the budget going forward.

City Manager Landes responded that when she looked at the budget it was funded as a hired employee with benefits.

Councilor Ault made the motion to amend the motion to read as follows:

Councilor Ault moved to direct the City Manager to advertise and fill the position of Economic Development Director at a cost not to exceed \$43,562 in FY19.

Councilor Rines seconded.

City Manager Landes commented that when an applicant comes in for an interview, they may ask what the prospect for the future will be based on that it hasn't been funded in past years. The sentence was just to give assurance for the future.

Councilor Berry agreed to support this because every day we don't have someone is a day lost. He wants to see every option explored for opportunity.

Mayor asked for any further discussion. All those in favor, 5-1. Councilor Hart opposed.

13. Discussion regarding the current Grant Agreement with Hoppy Days LLC/ John and Lynn Callinan

City Manager Landes explained that in May of 2015 the City and Hoppy Days LLC signed a security agreement in the amount of \$35,000. A few weeks ago the business closed with hopes to open something in possibly up to six months. You have some proposal in front of you for changing the agreement.

Approved by City Council as presented and attested by City Clerk on 10/03/2018



Kelly J. Gooldrup, City Clerk

Mayor Harnett stated that he views this as a hiccup. I propose that we stop the clock to give him time to start up again.

Piper Panzeri, Gardiner Main Street – we would like to have this paused.

City Manager Landes explained the current terms of the loan agreement.

Councilor Berry moved to allow Hoppy Days LLC to have a six months' grace period and at the end of the six months, the clock starts ticking again on the Agreement, pushing that paused time frame further ahead.

Councilor Ault Seconded.

Councilor Ault commented that this approach requires faith in the individual and the Council. He has earned this support.

Any further discussion. All those in favor. Unanimous.

14. Discuss and Evaluate the Safety Concerns surrounding the tree near the corner of Main Avenue and Water Street and a 'Second' Stop Sign

City Manager Landes explained that discussion surrounding the tree started during the last meeting. There are emails in the council packets from The Bridge Advisory Committee and Pete Coughlin. After researching the minutes from July 20, 2016 Councilor Ault moved to support the removal of the traffic lights at the intersection and install four-way stop signs. MDOT was going study ways to enhance the intersection for both vehicular and pedestrian traffic. Councilor Blanchard seconded. It was unanimously supported.

Tony LaPlante, Public Works Director, explained briefly about the safety of the intersection surrounding the tree. At MMA Convention today, it was reported that last year was the deadliest year in history for the State of Maine for pedestrian fatality.

Wayne Frankhauser representing MDOT, stated that during the projects we are working on, safety is the main concern. We believe this tree should be removed.

Councilor Berry asked why we are making the decision not MDOT.

Wayne Frankhauser we try to work with the Community to seek different opportunity possibilities.

Mayor Harnett asked if the council says keep the tree, can MDOT say no it is unsafe.

Wayne Frankhauser replied that it is possible. We do look at recommendations otherwise.

Councilor Hart asked if MDOT can help us make it safer now.

Wayne Frankhauser responded that we can look at some additional signage.

Tony LaPlante said the City is going to paint stop bars when weather permits.

Brian Kent, Bridge Advisory Committee & the Trail Committee, stated that this intersection is an urban design issue as well as a safety issue. Al Godfrey voted to keep the tree. Maine has the best liability protection. Tree will be cut at Harvey's. The trees behind Gardiner feed will be cut down. The Bridge Advisory Committee wants to keep at least this one.

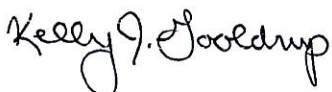
Tom Reeves – Cobbossee Stream Committee & the Bridge Advisory Committee, urged the Council to keep the tree. At 6:00pm trying to cross the intersection is an issue.

Councilor Ault read the letter from Al Godfrey.

Tony LaPlante said there is liability with this tree. Just like if someone hits a pothole with their vehicle, and we receive notice of the pothole needing repair, we have twenty-four hours to fix said pothole. If it is not fixed within that timeframe and someone else hits it, we are liable.

Chief Toman stated that it is his recommendation for the tree to be removed. For safety reasons, you people are on notice. It is in the City's best interest not to test the fact that we are liable. If we are sued, it going to be lengthy, costly, and stressful and it can be avoided.

Approved by City Council as presented and attested by City Clerk on 10/03/2018



MANAGEMENT AGREEMENT

THIS AGREEMENT, made effective this 9th day of April, 2014 (the "Effective Date"), between the CITY OF GARDINER, a Maine municipality ("City"), and GARDINER MAIN STREET, a Maine nonprofit corporation ("GMS"),

WITNESSETH:

WHEREAS, City is a political subdivision of the State of Maine, exempt from income taxation under section 115 of the Internal Revenue Code of 1986, as amended (the "Code"), charitable contributions to which are deductible under section 170 of the Code; and

WHEREAS, GMS is a nonprofit corporation organized and operated for charitable and educational purposes, and for the purpose of lessening the burden of Government, combatting community deterioration, and historic preservation; and

WHEREAS, GMS is recognized by the Internal Revenue Service as an organization exempt from taxation under section 501(c)(3) of the Code; and

WHEREAS, GMS and the City have cooperated to create the Gardiner Growth Initiative ("GGI"), which includes an Interest-Deferred Forgivable Loan program ("Program"), with the goal of attracting quality development to the downtown Gardiner area; and

WHEREAS, City is willing to receive grants and donations on behalf of GMS related solely to the GGI Program, and is willing to administer such funds for the sole benefit of the Program; and

WHEREAS, City and GMS desire to set forth in this Agreement their respective duties and responsibilities with respect to such grants, donations and administration;

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants contained herein, the parties agree as follows:

I. Management

1.1 GMS and the City hereby agree that the Program shall be administered during the term of this Agreement, in accordance with the terms hereof.

1.2 GMS is a separate legal entity from City. This Agreement shall not be deemed to create any relationship of, partnership or joint venture between GMS and City, and GMS shall not make any contrary representation to any individual or entity.

1.3 During the term of this Agreement, GMS shall be operated in a manner consistent with GMS's tax-exempt status; shall not make any material changes in its purposes or activities without the prior written approval of City; shall not carry on activities or use funds administered by City hereunder in any way that jeopardizes its eligibility for tax-exempt status; and shall not

attempt to influence legislation or participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or otherwise engage in the carrying on of propaganda (within the meaning of section 501(c)(3) of the Code) without the prior written consent of City.

II. GGI Program

2.1 During the term of this Agreement, GMS will receive a \$125,000 grant from the Bank of Maine to be used as seed money for the GGI Program, and may receive other funds from other sources for use of the Program. Disbursement of these funds by the City on behalf of GMS will follow this protocol:

- a. GMS sets Program description, fee schedule, forgiveness criteria, default process, collections procedures, underwriting standards, scans proposals, invites full applications, communicates with applicants, and compiles documents for underwriting;
- b. City accepts application fee from applicants and deposits into a special, segregated account. This fee, set by GMS, shall cover the underwriting costs invoiced to the City by a third party vendor. If costs exceed the application fee, GMS will reimburse the City the difference. If application fee exceeds the cost, City shall retain the difference for use in this account to cover cost overruns for subsequent applications. At the conclusion of the GGI program, City shall retain the balance in its general fund as it deems appropriate;
- c. Third party underwriter judges loan application and sends invoice for services to the City;
- d. Underwriter presents recommendation to GMS, which shall decide on the appropriate loan recipients according to the terms of this Agreement and other relevant Program materials;
- e. Third party prepares loan documents for closing and prepares a bill prior to closing. Applicant shall be responsible for paying these closing costs, not the City. Applicant shall also provide payment to the City at time of closing equal to the first year of interest on the loan, per the interest rate set by GMS. These funds shall be held in escrow by the City, and shall be returned to the applicant at the end of year five. However, in case of default (as determined by GMS), these funds shall be used by the City to cover expenses related to collection. If the expenses of the collection are greater than the amount held in escrow, than GMS shall reimburse the City for the difference. If the amount in escrow exceeds the cost of collection, the City shall return that amount to GMS;
- f. Interest payments shall be deferred as long as applicant remains in good standing, as determined by GMS. They shall be deferred for up to five years, at which time they, along with the principal amount of the loan outstanding, will be forgiven;
- g. City shall cut checks for loan out of a special account and provide to GMS for closing;
- h. If loan comes into default, as determined by GMS, then they City shall attempt collections using a third party vendor who works on commission to collect the loan

principal. If City incurs any unreimbursed costs as a result of collections action GMS shall reimburse City for it.

III. Hold Harmless

3.1 City shall be held harmless by GMS and its heirs and successors for any liability as a result of acting as fiscal sponsor for GMS. This includes but is not limited to financial liability. In no instance shall the City be held liable for the loan principal and/or interest awarded by GMS to any of the applicants. The City shall not be liable for any other costs associated with acting as fiscal sponsor and any costs it does incur shall be reimbursed by GMS.

IV. Representations and Warranties

4.1 City represents, warrants and agrees that: (a) City's execution of this Agreement and performance hereunder are within its lawful municipal powers and have been duly authorized by all necessary actions, and (b) no filings are required to be made by City with, and no consents or approvals are required to be obtained by City from, any court, governmental agency or other person or entity in order to enter into or perform under this Agreement. City agrees to deliver satisfactory certifications or assurances by its legal counsel confirming the validity of such representations and warranties if reasonably requested by the GMS.

4.2 GMS represents, warrants and agrees that: (a) GMS's execution of this Agreement and performance hereunder are within its lawful corporate powers and have been duly authorized by all necessary actions; (b) no filings are required to be made by GMS with, and no consents or approvals are required to be obtained by GMS from, any court, governmental agency or other person or entity in order to enter into or perform under this Agreement; and (c) GMS is not, and will not hereafter become, a party to any agreement inconsistent with GMS's obligations hereunder. GMS agrees to deliver satisfactory certifications or assurances by its legal counsel confirming the validity of such representations and warranties if reasonably requested by City.

4.3 GMS shall specify in all marketing and application material relating to the Program that Program funds may not be disbursed to any person who is an officer, director, substantial contributor or key employee of GMS or who is related to such a person, or to any corporation, LLC, partnership, trust or other legal entity of which more than 10% of the entity is beneficially owned or allocable to such a person. GMS shall at all times ensure that no Program funds are in fact distributed to any such person or entity.

4.4 GMS shall inform all recipients of awards under the Program that they should consult their own tax advisors regarding the potential income tax characterization of the awards, and that neither GMS nor the City bear any responsibility for any liability of the taxpayer related to the taxpayer's mischaracterization of the awards for tax purposes or failure to consult a tax advisor.

V. Miscellaneous

5.1 Arbitration. No action, suit or other proceeding shall be maintained in any court, whether at law or in equity, by reason of any dispute or controversy relating in any manner to the matters covered by this Agreement. Any dispute or controversy with respect to the rights and obligations of the parties hereto, or any matter or thing of whatsoever nature arising out of or under or relating to this Agreement, shall be settled by arbitration in Gardiner, Maine, at which the determination of the arbitrator shall be made under the rules of the American Arbitration Association. The determination of such arbitrator shall be final, conclusive and binding upon the parties hereto. In connection with any proceeding to enter judgment on the award of such arbitrator, the parties hereto consent to personal jurisdiction, service of process, and venue in any Federal or State court within the State of Maine. In connection with any action brought to enforce such award, each of the parties hereto agrees that service of process may be made upon such party at the address set forth in (or specified in accordance with) subsection 5.4 of this Agreement by registered or certified mail, return receipt requested. The arbitrator shall have no power to modify or vary any provisions of this Agreement. The arbitrator shall have the power to award the costs of arbitration, including reasonable attorney's fees, to the prevailing party.

5.2 Waiver. Any waiver of any provision of this Agreement or of any right or rights hereunder (a) shall be binding only if it is in writing and executed by the waiving party, (b) shall not be deemed to be a continuing waiver, and (c) shall not prevent or estop any party from thereafter enforcing such rights or provisions as to the future. The failure of any party to insist in any one or more instances upon the strict performance of one or more of the terms and provisions of this Agreement by the other party shall not be construed as a waiver or relinquishment for the future of any such terms or provisions, but the same shall continue in full force and effect.

5.3 Modification. This Agreement contains all of the representations and agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified, changed, altered or terminated other than by an instrument in writing duly executed and acknowledged by the parties.

5.4 Notice. Notice hereunder to any party shall be sent by hand delivery, subject to receipt, or by registered or certified mail, postage prepaid, or by email, to the following addresses (or to such other address as may be specified by the respective party from time to time):

If to City, to the following:

City of Gardiner
6 Church Street
Gardiner, Maine 04345
Attn: Scott Morelli

If to GMS, to the following:

Gardiner Main Street

PO Box 194
Gardiner, Maine 04345
Attn: Patrick Wright, Director

Any notice shall be considered as given on the date on which it is delivered by registered or certified mail, return receipt requested, with postage prepaid.

5.5 Implementation. Each party agrees that it will execute any and all instruments and perform any and all acts that may be deemed necessary or advisable to carry out any of the terms hereof.

5.6 Severability. If any provision of this Agreement is held invalid, such invalidity shall not affect the other provisions of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions of this Agreement are intended to be and shall be deemed severable.

5.7 Applicable Law. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Maine.

5.8 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and assigns.

5.9 Term. This Agreement shall become effective as of the Effective Date, and shall continue for five years (the "initial term").

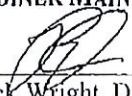
5.10 Termination. Each party will have the right to terminate this Agreement immediately in the event of voluntary or involuntary bankruptcy or similar insolvency actions or in the event of the suspension or termination of any license, permit or approval required for the completion of duties herein assigned. Either party may terminate this agreement in the event that the other party has committed a material breach of its obligations hereunder, and such breach has not been cured to the reasonable satisfaction of the non-breaching party within a period of thirty (30) days following written notice to the breaching party. Upon termination of this agreement the City shall promptly disburse to GMS any outstanding amounts held by City in an account or accounts for the benefit of GMS hereunder, net of any deductions due to City as set forth herein.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized undersigned representatives, have executed this Agreement, effective as of the Effective Date first written above.

CITY OF GARDINER

By: 
Scott Mopelli, City Manager

GARDINER MAIN STREET

By: 
Patrick Wright, Director

CONTRACT FOR CONSULTING SERVICES

Description of Services: DiCara Training and Consulting, LLC (DTC) will provide services to the City of Gardiner to assist with tasks associated with the Gardiner Growth Initiative (GGI). Specific duties will include the analysis of proposals that are submitted to Gardiner by forgivable loan applicants and the presentation of recommendations to the GGI Review Committee at its regular and/or special meetings. A credit memo will be produced indicating strengths and weaknesses of the application, analysis of the applicant's ability to meet the underwriting standards provided by the committee, and recommendations on the applicant's ability to succeed.


Personnel: The duties as described above will be performed by Vincent DiCara, managing member of DiCara Training and Consulting, LLC.

Compensation: In return for the delivery of the services described above, DiCara Training and Consulting, LLC will be compensated at a rate of \$75/hr. plus expenses which will include reimbursement for mileage (at a rate of \$.565/mile) to and from the Gardiner meetings and to the business sites of loan applicants when necessary and as requested by the Executive Director of Gardiner Main Street.


A maximum of \$500/each applicant will be paid for the services as described above. In the event that the work performed by DiCara Training and Consulting, LLC exceeds four hours/application, authorization will be sought and received from the Director of Gardiner Main Street.

Miscellaneous: This contract can be amended to include other duties as needed upon agreement of both parties and can be terminated by either party provided that a notice of one month is given.

Vincent DiCara
DiCara Training and Consulting, LLC

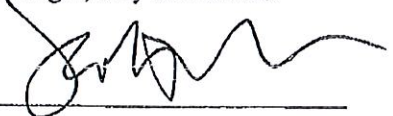


Signature

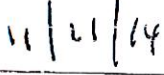


Date

Scott Morelli
City Manager, City of Gardiner



Signature



Date

PROMISSORY NOTE

\$35,000.00

Gardiner, Maine

May 18, 2015

FOR VALUE RECEIVED, **Hoppy Days, LLC**, a Maine Corporation ("Borrower") promises to pay to the order of **CITY OF GARDINER** ("CITY"), an incorporated municipality organized and existing under the laws of the State of Maine, the sum of **Thirty Five Thousand (\$35,000.00)**, with interest from date hereof until paid on the outstanding principal balance hereof, in manner as follows:

Pre-paid interest due at loan closing equal to Two Thousand Twelve Dollars and Fifty Cents (\$2,012.50) representing 1 years interest on original loan amount. Loan term will be five (5) years from date hereof with a fixed interest rate of five and three-quarters percent (5.75%) per annum. At the end of year 3 of the 5 year term, 25% of the loan principal will be forgiven. At the end of year 4, 50% of the loan principal will be forgiven and at the end of year 5, 100% of loan principal and accrued interest will be forgiven and prepaid interest returned provided all other loan terms and conditions have been met as outlined.

In addition to the foregoing rights, but in no way limiting the same, **CITY** may collect a "late charge" not to exceed five percent (5%) of the outstanding and due balance, if payment of balance due is more than fifteen (15) days in arrears. This late charge will be assessed monthly until all balances are paid. The first of any payment received by **CITY** shall be applied to the payment of any such late charge. Failure by the holder to collect one such late charge shall not be deemed a waiver by the holder of its rights to collect late charges for any other instance of late payment.

All payments due hereunder shall be made to the **City of Gardiner, at 6 Church Street, Gardiner, Maine 04345**, or to such other parties or addresses as the holder hereof may from time to time designate in writing to the maker or other parties liable herefor. This note evidences a loan for business and commercial purposes and not for personal, family, household or agricultural purposes.

This Note is subject to the condition that at no time shall the maker hereof be obligated or required to pay interest at a rate which could subject the holder hereof to either civil or criminal liability, forfeiture or loss of principal, interest or other sums as a result of being in excess of the maximum interest rate which maker is permitted by law to contract or agree to pay or which the holder hereof is permitted to receive. If by the terms of this Note, maker is at any time required or obligated to pay interest in excess of such maximum rate, the rate of interest under the Note shall be deemed to be simultaneously reduced to such maximum rate for so long as such maximum rate shall be in effect and shall thereafter be payable at the rate herein provided.

But in the event of a default in any provision in this note, including but not limited to i.) Borrower closing or relocating place of business outside of Gardiner Main Street's designated Downtown District, ii) Borrower failing to remain open for a minimum of 40 hours per week, or iii) Borrower using loan proceeds for any other purpose or activity than those which are expressly and mutually agreed upon between Borrower and CITY, or in the event of a default in the performance of any of the provisions of any real estate mortgage or security agreement given to secure this note, or in the default in any Guaranty of this note, or in the performance of any of the provisions of any instrument given to secure any such Guaranty, or in the event of a default in the performance of any undertakings or agreements contained in the commitment letter dated April 24th, 2015 from City of Gardiner, to John Callinan as may be amended from time to time, which commitment letter was signed by said Borrower with reference to this loan, , said Borrowers promise to pay forthwith upon demand the entire indebtedness hereof, including accrued interest and late charges, as applicable, together with reasonable attorney's fees and expenses incurred in the collection thereof.

The makers and the other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, notice and protest, and waive all recourse to suretyship and guarantorship defenses generally, including, but not limited to, any extension of time for payment or performance which may be granted to the makers or to any other liable party, any modifications or amendments to this promissory note or any documents securing payment and performance hereof, any act or omission to act by or on behalf of the holder hereon, any release of security, any release of a liable party or parties, and all other indulgences of any type which may be granted by the holder hereof to the maker or any other party liable hereon, and do also agree to pay all costs of collection of the indebtedness evidenced hereby, including reasonable attorney's fees which may be incurred in connection therewith.

If any obligation or portion of this promissory note is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. The terms and provisions hereof shall be construed pursuant to the laws of the State of Maine. All of the obligations and promises herein are joint and several obligations and promises of the undersigned.

This promissory note is secured by:

- 1) a Security Agreement or Agreements given by the Undersigned to CITY; and
- 2) a personal guarantee of John P. Callinan and Lynn P. Callinan


all of even date herewith.

Borrower may prepay the principal amount outstanding in whole or in part without penalty.

BORROWER[S] WAIVE[S] THE RIGHT TO TRIAL BY JURY OF ANY CLAIMS ARISING UNDER OR IN CONNECTION WITH THIS PROMISSORY NOTE, OR ANY OF THE

SECURITY OR OTHER DOCUMENTS EXECUTED IN CONNECTION WITH THIS PROMISSORY NOTE.

WITNESS our hands and seals this 18 day of May, 2015.



Witness Patrick Wright

By: 
John P. Callinan, President

STATE OF MAINE
KENNEBEC, SS.

May 18, 2015

Then personally appeared before me the above named John P. Callinan and _____,
and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity.


Ashlee S. Hunt
Notary Public/Attorney at Law

Ashlee S. Hunt
Notary Public, Maine
My Commission Expires
June 26, 2018



Maine Secretary of State

Filing Number: 20150520109000049-28

Filing Date and Time: 05/20/15 09:25 AM

UCC FINANCING STATEMENT FOLLOW INSTRUCTIONS

Form with sections A, B, and C for contact information and acknowledgment.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name)...

Form for Debtor 1: Organization Name (Hoppy Days LLC) and Mailing Address (94 Ledge Wood Drive).

2. DEBTOR'S NAME: Provide only one debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name)...

Form for Debtor 2: Organization Name (City of Gardiner) and Mailing Address (6 Church St).

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR SECURED PARTY - Insert only one Secured Party name (3a or 3b))

Form for Secured Party: Organization Name (City of Gardiner) and Mailing Address (6 Church St).

4. COLLATERAL: This financing statement covers the following collateral:

All business contents, inventory, and equipment now or at time of default located at 339 Water St. Gardiner, ME. All inventory, chattel paper, accounts, contract rights, equipment, general intangibles, furniture, fixtures, machinery and all other business assets...

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction, Manufactured-Home Transaction, A Debtor is a Transmitting Utility. 6b. Check only if applicable and check only one box: Agricultural Lien, Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor, Consignee/Consignor, Seller/Buyer, Beneficiary, Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA



MAINE

Department of the Secretary of State
Bureau of Corporations, Elections and Commissions

Corporate Name Search

Information Summary

[Subscriber activity report](#)

This record contains information from the CEC database and is accurate as of: Tue Oct 27 2020 08:18:26. Please print or save for your records.

Legal Name	Charter Number	Filing Type	Status
HOPPY DAYS LLC	20153771DC	LIMITED LIABILITY COMPANY (DOMESTIC)	GOOD STANDING

Filing Date	Expiration Date	Jurisdiction
03/31/2015	N/A	MAINE

Other Names (A=Assumed ; F=Former)

CRAFT BEER CELLAR GARDINER	A
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Clerk/Registered Agent

JOHN P. CALLINAN
94 WEDGEWOOD DRIVE
WINTHROP, ME 04364

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Short Form without amendments	Long Form with amendments
(\$30.00)	(\$30.00)

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