



**GARDINER CITY COUNCIL**  
**AGENDA ITEM INFORMATION SHEET**



<b>Meeting Date</b>	05/22/2019	<b>Department</b>	Planning/Economic Dev
<b>Agenda Item</b>	4.3. Discussion regarding the current Grant Agreement with Hoppy Days LLC/ John and Lynn Callinan		
<b>Est. Cost</b>	n/a		

**Background Information**

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.

<b>Requested Action</b>	'I move 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.'
<b>City Manager and/or Finance Review</b>	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.'
<b>Council Vote/ Action Taken</b>	
<b>Departmental Follow-Up</b>	

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

## Christine Landes

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**From:** Beer Geek <gardiner.craftbeercellar@gmail.com>  
**Sent:** Wednesday, March 20, 2019 5:44 PM  
**To:** Christine Landes  
**Subject:** Re: March 31

Shall do! I look forward to meeting with you.

John

Sent from my iPhone

On Mar 20, 2019, at 5:10 PM, Christine Landes <CLandes@gardinermaine.com> wrote:

Perfect! Please speak with Robin as I will be out until Tuesday. She can set up a time to meet at a place of your convenience.  
Thanks for responding so quickly!  
See you soon.  
Christine

**From:** Beer Geek [<mailto:gardiner.craftbeercellar@gmail.com>]  
**Sent:** Wednesday, March 20, 2019 5:08 PM  
**To:** Christine Landes <CLandes@gardinermaine.com>  
**Subject:** Re: March 31

Dear City Manager Landes:

Your timing is perfect!

While trying to recoup from my initial financial losses over a three year period, I have been working diligently to regroup and to reinvest in Gardiner.

I have turned down offers to lease or sell the building and have incurred the not inconsiderable expenses of keeping it vacant while I assessed options for my next venture in Gardiner's historic district. I have talked with other business owners, Gardiner Main Street, and downtown residents regarding my plans. Indeed, it is no secret that I will be returning to Water Street. No place I would rather be.

I would appreciate the opportunity to meet with you in order to share my plan with you.  
I will call your office tomorrow to schedule an appointment.

I appreciate your and the Council's allowing me the time to regroup. I am excited about the prospect of being a small part of Gardiner's future.

Sincerely,

John

Sent from my iPhone

On Mar 20, 2019, at 3:15 PM, Christine Landes <[CLandes@gardinermaine.com](mailto:CLandes@gardinermaine.com)> wrote:

Mr. Callinan:

Happy Spring! Today is the first day of Spring and we are optimistic that it brings new business and growth to our pleasant city! That being said, I am following up on how your new 'venture' is progressing? If you will recall, the City Council extended your loan agreement until the end of March. Do you need more time? Shall we bring it back to the Council? We are excited to see what you will be opening,,,,,,,,,!

I look forward to hearing from you!  
Christine

<image003.jpg>

*Christine M. Landes*, MBA/CMM

City Manager

City of Gardiner

6 Church Street

Gardiner, Me. 04345

207-582-4200 City Hall

207-582-6895 Fax

[clandes@gardinermaine.com](mailto:clandes@gardinermaine.com)

## Christine Landes

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**From:** Christine Landes  
**Sent:** Monday, September 10, 2018 9:59 AM  
**To:** 'Pottle, Jonathan'; Reinhart, Sarah  
**Subject:** Hoppy Days LLC  
**Attachments:** Hoppy Days LLC Agreement.pdf

Good morning!

I am reaching out to you both today (frankly because I am unsure which of you would deal with this) to seek out some answers to a 'loan' matter.

The applicant, Hoppy Days, LLC/John and Lynn Callinan, received a loan in May 2015, from grant money that the City was awarded to promote growth on Main Street. (They were one of three recipients.) Mr. Callinan spoke to me Friday and stated that his LLC was going out of business in a couple of weeks, and after a two-month hiatus, he would be the primary investor in another business, like his, in the same location. This business would sell beer and hop related items, but would be run by the other partner in the partnership.

He had concerns about how to address this loan. I see where it states that after three years the loan is 25% forgivable. He has met that. However, I was unable to locate in the agreement any provisions to address this situation. I only saw 'default' information which I don't know how to apply in this situation.

I have attached the documents, and told Mr. Callinan that I would get back to him very soon. He is an individual that wants to make things right with the City, and will work with us to keep a business in the space and stay a primary owner in the next venture.

I appreciate any insight into how to move forward with this matter. Thanks and have a wonderful day.  
Christine

Christine M. Landes, MBA/CMM  
City Manager  
City of Gardiner  
6 Church Street  
Gardiner, Me. 04345  
207-582-4200 City Hall  
207-582-6895 Fax  
[clandes@gardinermaine.com](mailto:clandes@gardinermaine.com)

## Christine Landes

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**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

**MANAGEMENT AGREEMENT**

THIS AGREEMENT, made effective this 9<sup>th</sup> day of ~~March~~<sup>April</sup>, 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.

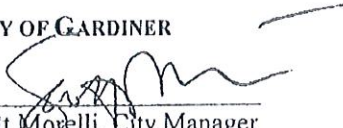
5.9 Term. This Agreement shall become effective as of the Effective Date, and shall continue for five years (the "initial term").

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.

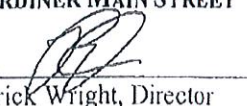
CITY OF GARDINER

By:

  
Scott Morelli, 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.

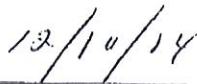
**Compensation:** In return for the delivery of the services described above, DiCara Training and Consulting, LLC will be compensated at a rate of \$75/hr. plus expenses which will include reimbursement for mileage (at a rate of \$.565/mile) to and from the Gardiner meetings and to the business sites 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.

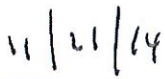
Vincent DiCara  
DiCara Training and Consulting, LLC

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

Scott Morelli  
City Manager, City of Gardiner

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

## PROMISSORY NOTE

\$35,000.00

Gardiner, Maine

May 19, 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 28, 2019

**UCC FINANCING STATEMENT**  
FOLLOW INSTRUCTIONS



Maine Secretary of State

Filing Number:  
20150520109000049-28

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

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGEMENT TO: (Name and Address)
<input type="checkbox"/> ONLINE FILING

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); if any, part of the Individual Debtor's name will not fit in line 1b, leave all of Item 1 blank, check here  and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME HOppy DAYS LLC				
OR	1b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADD'L NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
94 LEDGEWOOD DRIVE	WINTHROP	ME	04364	

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); if any, part of the Individual Debtor's name will not fit in line 2b, leave all of Item 2 blank, check here  and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADD'L NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

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

3a. ORGANIZATION'S NAME CITY OF GARDINER				
OR	3b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADD'L NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
8 CHURCH ST	GARDINER	ME	04345	

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; whether any of the foregoing is owned now or acquired later; all accessions and additions. All inventory which I hold for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in progress, or materials used or consumed in my business. All equipment including but not limited to: All machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, and parts and tools. Any equipment described in a list or schedule which I give to you will also be included in the secured property, but such a list is not necessary for a valid security interest in my equipment.

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  Bailee/Bailor  Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA

## SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of the 18 day of May, 2015 by and between **Hoppy Days, LLC**, a Corporation having a place of business at 339 Water St. Gardiner, Maine Maine (the "Debtor"), and **The City of Gardiner**, a municipality organized and existing under the laws of the State of Maine (the "Secured Party").

### WITNESSETH:

WHEREAS, the obligation of the Secured Party to make the Loan is subject to the condition, among others, that Debtor shall execute and deliver this Agreement and grant the security interests hereinafter described; and

NOW, THEREFORE, in consideration of the willingness of the Secured Party to make the Loan and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Grant of Security Interest in Collateral. As security for the Secured Obligations described in section 2 hereof, Debtor hereby grants to the Secured Party a present and continuing security interest in and valid lien on all of the Debtor's property described below, opposite those boxes which have been checked and initialed by the Debtor, together with any and all additions and accessions thereto, replacements, proceeds (including without limitation insurance proceeds) and products thereof, and substitutions therefor, wherever the same may be located and whether now existing or hereafter arising or acquired (hereinafter referred to collectively as the "Collateral"):

\_\_\_\_\_  
(initials)

- All business contents, inventory, and equipment now or at time of default located at 339 Water St, Gardiner, ME

2. Obligations Secured by the Collateral. The security interest hereby granted in the Collateral shall secure the due and punctual payment and performance of the following liabilities and obligations of Debtor (hereinafter called the "Secured Obligations" and each individually a "Secured Obligation"):

(a) Payment of principal of, premium, if any, and interest on the Note and any modifications or amendments thereto, renewals or extensions thereof or substitutions therefor;

(b) Performance or payment of any and all other obligations of Debtor to the Secured Party under the Note and the loan documents executed in connection with the Note (collectively, the "Loan Documents") or under any agreement or instrument relating thereto, as the same may be amended from time to time;



(c) Performance or payment of any and all other indebtedness, liabilities or obligations of Debtor to the Secured Party arising from time to time, whether now existing or hereafter arising, including without limitation any and all obligations arising under the Loan Documents, as defined in the Note; and

3. Special Representations, Warranties and Covenants of Debtor. Debtor hereby warrants and covenants to the Secured Party that:

(a) The chief executive office of Debtor and all of Debtor's additional places of business, if any, and the location of all the Collateral are listed at the address set forth below.

(b) Debtor shall not sell or otherwise dispose of any of the Collateral or any interest therein, except for dispositions of inventory in the ordinary course of its business.

(c) Debtor will promptly execute and deliver to the Secured Party such financing statements, certificates and other documents or instruments as may be necessary to enable the Secured Party to perfect or from time to time renew the security interest granted hereby.

(d) Debtor shall immediately notify the Secured Party of any material loss in the value of the Collateral.

(e) The Debtor has not conducted its business under any tradename or trade style other than the name identified at the beginning of this Agreement as its corporate name. The Debtor will not conduct its business hereafter under any other tradename or trade style and will not change its name or its legal status except upon 30 days prior written notice to the Secured Party.

(f) The Debtor is and shall hereafter remain the owner of the Collateral free from any adverse attachments, liens, security interests or other encumbrances with the exception of the security interest granted hereby and such other permitted encumbrances and liens specified in the Note.

(g) Debtor shall maintain casualty insurance coverage on the Collateral in such amounts and of such types as may be requested by the Secured Party and in any event at least in such amounts and of such types as are ordinarily carried by similar businesses. All such insurance policies shall contain a provision whereby they cannot be canceled except after 10 days written notice to the Secured Party and provide the Secured Party as a holder of a lien on the Collateral and shall be payable to the Secured Party and Debtor as their interests may appear. Debtor shall immediately notify Secured Party of any event causing loss or depreciation in value of any of the Collateral. Secured Party may act as the attorney for the Debtor in obtaining, adjusting, settling and canceling such insurance and/or any claims arising thereunder, in endorsing any drafts or checks issued with respect thereto. In the event of any failure of the Debtor to provide insurance as herein required, the Secured Party may at its option (but without any obligation) obtain and/or maintain insurance coverage with respect to the Collateral, without waiving any event of default by the Debtor and any sums expended by the Secured Party in

procuring such insurance shall be deemed a secured obligation which is secured hereunder by the Collateral. The Secured Party may apply the proceeds of any insurance against the secured obligations, whether or not the same have matured, in such order of application as the Secured Party may determine.

4. Fixtures. It is the intention of the parties hereto that none of the Collateral shall become fixtures and Debtor will take all reasonable action or actions as may be necessary to prevent the Collateral from becoming fixtures. Without limiting the generality of the foregoing, Debtor will obtain waivers of lien or disclaimers with respect to any interest in the Collateral, in form satisfactory to the Secured Party, from each lessor and owner of real property on which any of the Collateral is or is to be located.

5. Events of Default. Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions (herein called "Events of Default"):

(a) The occurrence of Default or Event of Default under the Note, the Loan Documents (as defined in the Loan Note) or any other agreement between Debtor and the Secured Party, or any other material agreement or instrument issued by or by and between Debtor and any third party, and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(b) Any material representation or warranty made by Debtor herein shall be false or incorrect when made or if Debtor shall breach or fail to perform or discharge any covenant, agreement or obligation made herein; or

(c) The loss, theft, substantial damage, destruction, sale, encumbrance to or on the Collateral, which is not insured against to the Secured Party's satisfaction in its sole discretion, or the making of any levy, seizure or attachment thereof or thereon.

If any Event of Default shall occur pursuant hereto, then, or at anytime thereafter, Secured Party may declare all Secured Obligations to be in default, whereupon such Secured Obligations shall become due and payable, without notice, protest, presentment, or demand, all of which are expressly waived by Debtor, in addition to and not in any respect in limitation of any other rights or remedies granted to Secured Party hereunder, under the Loan Documents (including the Security Documents and the Note), in any other agreement or document executed in connection therewith or under applicable law.

6. Rights of Secured Party on Default -- General. (a) Upon default, the Secured Party shall have the right to take possession of the Collateral, and in addition thereto, the right to enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give Debtor at least five (5) days' prior written notice by registered or certified mail at the address of Debtor set forth above (or at such other address or addresses as Debtor shall specify in writing to the Secured Party) of the time and place of any public sale thereof or of the time after which any

private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including legal costs and attorneys' and paralegal' fees) and all other charges against the Collateral, the net proceeds of any such sale or disposition shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Party shall determine, and any surplus shall be returned to Debtor or to whomever may be legally entitled thereto. All costs and expenses, including without limitation, legal costs and attorneys' fees, incurred by the Secured Party in enforcing this Agreement shall be chargeable to and secured by the Collateral.

(b) The Secured Party shall have the right to enter and/or remain upon the premises of the Debtor without any obligation to pay rent to the Debtor or any other place or places where the Collateral is located and kept in connection with the exercise of its remedies hereunder.

7. Rights of Secured Party to Use and Operate Collateral, etc. In addition to any other rights or remedies of the Secured Party set forth herein or in any related documents, upon the occurrence of any Event of Default, the Secured Party shall have the right and power to take possession of all or any part of the Collateral, and to exclude Debtor and all persons claiming under Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Without limiting the generality of the foregoing, the Secured Party shall have the right to have a receiver appointed by a court of competent jurisdiction in any action taken by the Secured Party to enforce its rights and remedies hereunder in order to manage, protect and preserve the Collateral and continue the operation of the business of Debtor and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver and to the payment of the Secured Obligations as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated.

8. Collection of Accounts Receivable Upon Default. Debtor hereby absolutely and unconditionally assigns to Secured Party all accounts as security for the Secured Obligations, provided that until notice by Secured Party, thereafter, Secured Party, subject to the terms of the Note, authorizes Debtor to collect any and all amounts owing on all accounts. The Secured Party may, in its sole discretion, give notice to any account debtors identified of the rights of the Secured Party to and the security interest of Secured Party in the accounts, and effect collection of any such accounts, directly from the account debtor with full power and the sole discretion to settle or compromise disputes or claims relating to such account.

9. Rights Are Cumulative. The Secured Party shall have, in addition to any other rights or remedies contained in this Agreement and any other agreement or related instrument, all of the rights and remedies of Secured Party under the Maine Uniform Commercial Code and enforced in the State of Maine as of the date of this Agreement and as otherwise provided by law.

All of the Secured Party's rights and remedies whether evidenced hereby or by any other agreement or instrument or whether otherwise available shall be cumulative.

10. Waivers, etc. Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise provided herein, all other demands and notices in connection with this Agreement or the enforcement of the Secured Party's rights hereunder or in connection with any Secured Obligations or any Collateral; waives its right, if any, to require the Secured Party to proceed against any guarantor of the Secured Obligations prior to proceeding against any of the Collateral; agrees that the rights of the Secured Party hereunder shall not be affected by any extensions, renewals, indulgences, settlements, or compromises respecting any of the Secured Obligations; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to Debtor or to any account debtor in respect of any account receivable, or substitution, release, surrender or impairment of any Collateral, the addition or release of persons primarily or secondarily liable on any Secured Obligation or on any account receivable or other Collateral, the acceptance of partial payments on any Secured Obligation or on any account receivable or other Collateral and/or the settlement or compromise thereof. No delay or omission on the part of the Secured Party in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. Any waiver of any such right on any one occasion shall not be construed as a bar to or waiver of any such right on any such future occasion.

11. Termination; Assignments, etc. This Agreement and the security interest in the Collateral created hereby shall terminate when all of the Secured Obligations have been fully and indefeasibly paid and performed (provided that the Secured Party is no longer obligated to make any additional loans to Debtor or any affiliate) and the expiration of any applicable preference period.

12. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including wire, telex, telecopy or similar writing), may be personally served or sent by telex, telecopier, mail or the express mail service of the United States Postal Service, Federal Express or other reputable overnight or expedited delivery service which provides evidence of delivery, and (a) if given by personal service, telex (confirmed by telephone) or telecopier (confirmed by telephone), it shall be deemed to have been given upon receipt; (b) if sent by telex or telecopier without telephone confirmation, it shall be deemed to have been given twenty-four (24) hours after being given; (c) if sent by mail, it shall be deemed to have been given upon the earlier of (i) actual receipt, or (ii) three (3) Business Days after deposit in a depository of the United States Postal Service, first class mail, postage prepaid, or actual receipt; (d) if sent by Federal Express, the express mail service of the United States Postal Service or other equivalent overnight or expedited delivery service, it shall be deemed given upon the earlier of (i) actual receipt or (ii) twenty-four (24) hours after delivery to such overnight or expedited delivery service, delivery charges prepaid, and properly addressed to Debtor or the Secured Party. For purposes hereof, the address of the parties to this Agreement shall be as follows:

(a) if to Debtor:

**John P. Callinan  
94 Wedgewood Dr.  
Winthrop, ME 04364**

(b) if to the Secured Party:

**City of Gardiner  
6 Church St.  
Gardiner, ME 04345**

or at such other address as the party to whom such notice is directed may have designated in writing to the other parties hereto.

13. Indemnity. The Debtor shall indemnify, defend and hold the Secured Party harmless of and from any loss, liability, claim or demands suffered or asserted against the Secured Party with respect to the Secured Party's interest in the Collateral (each of which may be defended by the Secured Party with counsel at the Secured Party's selection at the expense of the Debtor as if such costs or expenses were costs of collection hereunder). The foregoing indemnification shall survive any termination, release or discharge executed by the Secured Party in favor of the Debtor.

14. Waiver of Jury Trial. THE SECURED PARTY AND THE DEBTOR AGREE THAT NEITHER OF THEM NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM RELATING TO THIS AGREEMENT, THE NOTE, OR ANY RELATED INSTRUMENTS, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE SECURED PARTY AND THE DEBTOR, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE SECURED PARTY NOR THE DEBTOR HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

15. Submission to Jurisdiction. Debtor submits to the jurisdiction of any state or Federal court located within the State of Maine in connection with any suits or proceedings arising from or under this Agreement, and Debtor hereby waives personal service of any and all process upon Debtor, and consents that all such service of process be made by registered mail, or certified mail, return receipt requested, directed to Debtor at the address stated at the commencement of this Agreement (or such other address as Debtor may have given Secured Party notice of under the terms of this Agreement) and service so made shall be deemed to be completed five (5) days after the same shall have been mailed to Debtor's address.

16. Disclosure Consent. Debtor hereby consents to the release and disclosure from time to time by Secured Party to any institution now or hereafter acquiring a participation interest

in any of the Obligations, to any guarantor now or hereafter existing as to any of the Obligations and to Secured Party's parent and affiliated financial institutions of any of the following items or matters: (i) copies or originals of any and all "financial records" of Debtor now or hereafter in the possession or under the control of Secured Party, and (ii) any and all notices, financial and operating reports, balance sheets, financial statements, consultants' reports, and any and all documentation and information of or regarding Debtor heretofore or hereafter provided to or generated by or for the benefit of Secured Party in connection with this Agreement or any of the Obligations now or hereafter existing.

17. Governing Law. This Agreement shall be governed by and construed in accordance with and governed by the laws of the State of Maine.

18. Miscellaneous. This Agreement shall inure to the benefit of and be binding upon the Secured Party and Debtor and their respective successors and assigns, and the term "Secured Party" shall be deemed to include any other holder or holders of any of the Secured Obligations. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. If any provision hereof shall be invalid or unenforceable in any respect or in any jurisdiction, the remaining provisions hereof shall remain in full force and effect and shall be enforceable to the maximum extent permitted by applicable law. No consent, approval or waiver shall be binding unless in writing. The consent, approval or waiver by one or more of the parties constituting a secured party hereunder shall not be binding upon any other party constituting a secured party unless given by an authorized agent. The section headings hereunder are for convenience of reference only and shall not be considered in construing the meaning of the terms and provisions of this Agreement. All representations and warranties of Debtor and all terms, provisions, conditions or agreements to be performed by Debtor contained herein or in any of the other documents delivered pursuant hereto or in connection herewith shall be true at the time of the execution of this Agreement and shall survive the execution and delivery hereof.

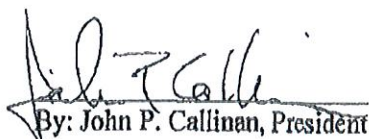
IN WITNESS WHEREOF, the undersigned has executed this Agreement as a sealed instrument as of the date above written.

WITNESS:

  
Patrick Wright

  
Patrick Wright

Debtor

  
By: John P. Callinan, President

City of Gardiner

  
By: Scott Morelli, City Manager

## GUARANTY

CITY OF GARDINER  
6 Church Street  
Gardiner, ME 04345

In consideration of any and all loans, advances, acceptances, discounts and extensions of credit made by The City of Gardiner with its principal place of business located at 6 Church Street, Gardiner, Maine, hereinafter called the "City", for the account of, or on behalf of Hoppy Days, LLC hereinafter called the "Borrower", and as an inducement for the City to make future loans, advances, acceptances, discounts, and extensions of credit to, for the account of or on behalf of the Borrower, the undersigned, hereinafter called the "Guarantors", hereby jointly and severally, absolutely and unconditionally, guarantee to the City the punctual payment in full at maturity of the principal, interest and other sums due and to become due from the Borrower to the City at any time and from time to time from date hereof until the termination of the liability of the Guarantors hereunder as hereinafter provided, on account of any and all obligations, indebtedness and liability of the Borrower to the City, whether now existing or hereafter incurred, whether direct, indirect or contingent, whether otherwise guaranteed or secured, and whether on open account or evidenced by a note, draft, check or other instrument or document, all of which obligations, indebtedness and liability are hereinafter referred to as "indebtedness".

The Guarantors expressly waive the following: notice of the incurring of indebtedness by the Borrower; the acceptance of this guaranty by the City; presentment and demand for payment, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing indebtedness of the Borrower; any right to require suit against the Borrower or any other party before enforcing this guaranty; any right to have security applied before enforcing this guaranty; and any right of subrogation to the City's rights against the Borrower until the Borrower's indebtedness is paid in full. Guarantors further waive and relinquish any duty on the part of City to disclose to Guarantors any matter, fact or thing relating to the business, operation or condition of Borrower and Borrower's assets now known or hereafter known by City during the term of this guaranty.

The Guarantors hereby consent and agree that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guaranties, abstaining from taking advantage of or realizing upon any collateral security or other guaranties and any and all other forbearances or indulgences granted by the City to the Borrower or any other party may be made, granted and effected by the City without notice to the Guarantors and without in any manner affecting their liability hereunder.

Without limitation or any other events of default by the Borrower or Guarantor, in the event that a petition in bankruptcy or for an arrangement or reorganization of the Borrower under the bankruptcy laws or for the appointment of a receiver for the

Borrower or any of its property is filed by or against the Borrower, or if the Borrower shall make an assignment for the benefit of creditors or shall become insolvent, or in the event of the Guarantor's death, all indebtedness of the Borrower shall, for the purpose of this guaranty, be deemed at the City's election to have become immediately due and payable.

Any notice to a Guarantor by the City at any time shall not imply that such notice or any further or similar notice was or is required.

The Guarantors further agree to pay the City any and all costs, expenses and reasonable attorneys' fees paid or incurred by the City in collecting or endeavoring to collect the indebtedness of the Borrower or in enforcing or endeavoring to enforce this guaranty. The Guarantors hereby grant a security interest in all accounts, deposits, and property of the Guarantors with or in the hands of the City as collateral security for the indebtedness of the Borrower, and the City shall have the same right of setoff with respect to deposits and other credits of the Guarantors as it has with respect to deposits and other credits of the Borrower.

The Guarantors further covenant and agree with the City that during such time as this guaranty is in effect, they and each of them will make no material change in their individual financial status and will not sell, mortgage or pledge any real or personal property without having first obtained the City's written consent therefor. In the event of any breach of said covenants and agreements, all indebtedness of the Borrower, regardless of its terms, shall at the City's election, be deemed for the purposes of this guaranty to have become matured, and at the City's election, the Guarantors shall promptly pay to the City the entire amount of said indebtedness of the Borrower, and the City may take any action deemed necessary or advisable to enforce this guaranty.

This guaranty shall operate as a continuing guaranty and shall expire as to any Guarantor only upon written notice signed by such Guarantor or his personal representative and actually received by the City, but such termination shall be effective only as to indebtedness of the Borrower incurred subsequent to the receipt of such notice by the City, and this guaranty shall remain in full force and effect as to all indebtedness of the Borrower theretofore incurred. This guaranty shall be binding upon the Guarantors and their respective heirs, executors, administrators and assigns, jointly and severally, and shall ensure to the benefit of the City and its successors and assigns. The terms "guarantor" and "borrower" and any pronouns referring thereto as used herein shall be construed in the masculine, feminine, neuter, singular or plural as the context may require.

IN WITNESS WHEREOF this guaranty has been executed and delivered to the City by the undersigned Guarantors this 18 day of May, A.D. 2015.

Ashlee S. Hunt  
Witness

John P. Callinan  
John P. Callinan



## 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