LOAN AGREEMENT
MINNESOTA INVESTMENT FUND

THIS AGREEMENT is made and entered into as the ___ day of ____________, 2015 by and between the West St. Paul Economic Development Authority, Minnesota (the "Lender") and The Tapemark Company. (the "Borrower");

WITNESSETH:

WHEREAS, the Lender has applied to the Minnesota Department of Employment and Economic Development for a Minnesota Investment Fund Grant (the "MIF Grant") pursuant to an application (the "Grant Application") and received approval for said grant; and

WHEREAS, Grant Contract Number CDAP-14-0017-H-FY15 (the "Grant Contract") between the Minnesota Department of Employment and Economic Development (the "State") and the Lender has been executed and requires that the Borrower provide sufficient funds to complete financing and agree to loan terms with the Lender regarding the MIF Grant; and

WHEREAS, the parties hereto agree to incorporate into this Agreement by reference said Grant Application and Grant Contract as if fully set forth herein word for word;

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

ARTICLE 1
<u>Definitions</u>

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"Benefit Date" means the date the Borrower puts the equipment into service, which is June 30, 2015.

"Borrower" means The Tapemark Company, a Minnesota corporation.

"Compliance Date" means the date that is two (2) years after the Benefit Date which is June 30, 2017.

"Development Property" means the real property located at 1685 Marthaler Lane, West St. Paul, MN.

"Full Time Equivalent Job" is the ratio of the total paid hours during a calendar year (permanent part time or full time) to the total of working hours in that same period (2,080 hours per year).

"Full Time Job" means an employee that is employed 2,080 hours per year.

“Grant Application” means the Lender’s application to the State for the purpose of providing to Borrower the Loan described in this Agreement. The Grant Application is incorporated herein by reference as if fully set forth herein word for word.

“Grant Contract” means Minnesota Department of Employment and Economic Development Grant Contract # CDAP-14-00172-H-FY15. The Grant Contract is incorporated herein by reference as if fully set forth herein word for word.

“Initial Disbursement Date” means the date of the first disbursement of any Loan Proceeds by the Lender to the Borrower.

“Jurisdiction” means a city, county or township.

“Lender” means the West St. Paul Economic Development Authority.

“Leveraged Funds” means the funds described in Section 2.2 of this Agreement.

“Loan” means the funds loaned by the Lender to the Borrower pursuant to this Agreement.

“Loan Proceeds” means the funds disbursed to the Borrower pursuant to this Agreement and any proceeds thereof.

“MIF” means the Minnesota Investment Fund, Minn. Stat. §116J.8731 and Minn. Rules Chapter 4300.

“MIF Grant” means the grant of funds by the State to the Lender pursuant to the Grant Contract .

“Project” means the Borrower’s purchase, installation, and operation of additional manufacturing equipment.

“Project Time Frame” means the time frame approved by the State.

“State” means the Minnesota Department of Employment and Economic Development.

“**Termination Date”** means the date of the final payment made to the Lender.

ARTICLE 2
Financing for Project

Section 2.1. Project Financing. The Borrower shall commit not less than $3,703,805.00 of equity be used for the completion of the Project.

Section 2.2. Leveraged Funds. This includes the equity as described in the Grant Application. The Leveraged Funds must be used for the same purposes and under the same terms, rates and conditions as specified herein unless prior written consent is received from the State.

Section 2.3. MIF Loan/Grant. The MIF Grant will be used by the Lender to make a loan to the Borrower of not more than $500,000 to assist with the purchase of equipment. The Borrower's obligations under this Agreement are expressly contingent on the Lender's receipt of funds from the State in an amount adequate to make the Loan.

ARTICLE 3
Loan Terms and Conditions

Section 3.1. Loan Terms. The principal amount of the Loan shall not exceed Five Hundred Thousand Dollars ($500,000). The Loan shall bear interest at a rate of one percent (1%) per annum and shall commence to accrue as of the Initial Disbursement Date. The term of the Loan shall be Five (5) years. Up to $100,000 of the Loan principal will be forgiven by the Lender upon satisfaction by the Borrower of the job creation goals set forth in Section 7.1(b). These Loan terms may not be modified without prior written approval from the State.

Section 3.2. Loan Repayments Schedule. The nonforgiveable portion of the Loan is Four Hundred Thousand Dollars ($400,000). Payments of principal and interest on the nonforgiveable portion of the Loan shall commence on the first day of the first month immediately following the Initial Disbursement Date and shall continue on the first day of each and every month thereafter until the Loan is paid in full. Such payments shall fully amortize the Loan over Five (5) years; provided, however, the entire remaining unpaid balance of principal and interest shall be due and payable in full on the first day of the sixtieth (60) month following the Initial Disbursement Date. An Amortization Schedule is attached as Exhibit A.

Section 3.3. Prepayment. Prepayment of the Loan may occur at any time during the Loan term without penalty.

Section 3.4. Assignment. If, prior to the Termination Date, the Borrower sells, conveys, transfers, further mortgages or encumbers, or disposes of the Development Property, or any part thereof or interest therein, or enters into an agreement to do any of the foregoing, the Borrower shall immediately repay all amounts then outstanding on the Loan. This shall be in addition to any other remedies at law or equity available to the Lender.

Section 3.5. Termination. This Agreement shall automatically terminate without any notice to Borrower: (1) if no Loan Proceeds have been disbursed to the Borrower prior to February 1, 2017; or (2) if: (a) the Borrower has not received any disbursement of Loan Proceeds from the Lender; and (b) the Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or is the subject of an order for relief in such bankruptcy case, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment.

Section 3.6. Promissory Note. Prior to receiving any of the Loan funds, the Borrower shall execute a promissory note.

Section 3.7. Financial Reporting. For the term of the loan, upon request of the Lender, the Borrower shall submit the most recent annual financial statement prepared in accordance with generally accepted accounting principles. The annual financial statements shall include a profit and loss statement, balance sheet, statement of cash flow, notes and an opinion from the accountants of such statements acceptable to the Lender.

Section 3.8. Hazard Insurance. The Borrower shall maintain insurance in adequate amounts covering loss or damage to the collateral. The Lender must be listed as loss payee.

Section 3.9. Collateral. The Borrower shall grant to the Lender a security interest in the Serpa P150 Intermittent Balcony Cartoner.

Section 3.10. Personal Guaranty. A personal guaranty of Robert Klas, Sr. is required.

ARTICLE 4
Default and Collateral

Section 4.1. Default. The Borrower shall be in default under this Agreement upon the happening of any one or more of the following events:

(a) the Borrower fails to pay when due any amount payable on the Loan and such nonpayment is not remedied within ten (10) business days after written notice thereof to the Borrower by the Lender;

(b) the Borrower is in breach in any material respect, of any obligation or agreement under this Agreement (other than nonpayment of any amount payable on the Loan) and remains in breach in any material respect for thirty (30) business days after written notice thereof to the Borrower by the Lender; provided, however, that if such breach shall reasonably be incapable of being cured within such thirty (30) business days after notice, and if the Borrower commences and diligently prosecutes the appropriate steps to cure such breach, no default shall exist so long as the Borrower is proceeding to cure such breach;

(c) if any material covenant, warranty, or representation of the Borrower shall prove to be untrue in any material respect, provided such covenant, warranty or representation of the Borrower remains untrue in any material respect for thirty (30) business days after written notice thereof to the Borrower by the Lender; provided, however, that if such untruth shall reasonably be incapable of being corrected within such thirty (30) business days after notice, and if the Borrower commences and diligently prosecutes the appropriate steps to correct such untruth, no default shall exist so long as the Borrower is so proceeding to correct such untruth;

(d) the Borrower, on or after the Initial Disbursement Date, fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment;

(e) a final judgment is entered against the Borrower that the Lender reasonably deems will have a material, adverse impact on the Borrower's ability to comply with the Borrower's obligations under this Agreement;

(f) the Borrower sells, conveys, transfers, encumbers, or otherwise disposes of all or any part of the Development Property/Equipment without the prior written approval of the Lender;

(g) the Borrower merges or consolidates with any other entity without the prior written approval of the Lender; or

(h) there is a loss, theft, substantial damage, or destruction of all or any part of the Development Property/Equipment that is not remedied to the Lender's satisfaction within sixty (60) business days after written notice thereof by the Lender to the Borrower.

Section 4.2. Remedies Upon Default.

(a) In the event of a default, the Lender shall have the right as its option and without demand or notice, to declare all or any part of the Loan immediately due and payable, and in addition to the rights and remedies granted hereby, the Lender shall have all of the rights and remedies available under the Uniform Commercial Code and any other applicable law.

(b) The Borrower agrees in the event of a default to make the collateral available to the Lender. The Borrower agrees to pay the costs and expenses incurred by the Lender in enforcing its rights under this Agreement, including but not limited to the Lender's attorney's fees. If any notice of sale, disposition or other intended action by the Lender is required by law to be given to the Borrower, such notice shall be deemed reasonably and properly given if mailed to the Borrower at the Development Property or at such other address of the Borrower as may be shown herein, at least fifteen (15) days before such sale, disposition or other intended action.

ARTICLE 5
Loan Disbursement

Section 5.1. Payment Disbursement Documentation and Format. Loan disbursements shall be used exclusively for the purchase of equipment and shall not exceed $500,000. The Lender will disburse the Loan funds upon receipt and approval by the Lender and the State of the following documentation:

(a) Executed copies of this Agreement, the Promissory Note, amortization schedule, personal guaranty and evidence of security filings;

(b) Documentation that a minimum of $3,703,805.00 of equity is available to complete the project; and

(c) Invoices for equipment costs for the Serpa P150 Intermittent Balcony Cartoner.

Section 5.2. Adverse Changes. The State will not authorize disbursement of funds if there has been any adverse change in the Borrower's financial condition, organization, operations or their ability to repay the project financing.

ARTICLE 6
Provision of Monitoring Information Related to Project Progress

Section 6.1. Progress Information. The Borrower shall provide to the Lender information for incorporation into the Minnesota Investment Fund progress reports, as required by the State and as needed by the Lender, to monitor the Project for compliance with State and Lender guidelines. This information must be provided until the project goals have been met or until the Compliance Date, whichever is later. At the discretion of the State or Lender additional reporting may be required. This information must be submitted to the Lender no later than:

(a) January 25, 2016 for the period ending December 31, 2015; and

(b) January 25, 2017 for the period ending December 31, 2016; and

(c) July 25, 2017 for the period ending June 30, 2017.

Section 6.2. Documentation to be provided to the Lender:

(a) Use of Funds. The Borrower must provide invoices, sworn construction statements, and or any other information, with each progress report, to document that the Loan and the Leveraged Funds have been used for the items and purposes as approved by the State;

(b) Job Creation Documentation. The Borrower shall provide information on the hiring of each new permanent, non-contract, full time employee on forms provided by the Lender. This information must include:

(1) Permanent jobs created;
(2) Job title of each new employee;
(3) Date of hire of each new employee;
(4) Hourly base wage;
(5) Hourly value of benefits; and
(6) List of benefits provided.

ARTICLE 7
Business Subsidy Agreement

Section 7.1. Business Subsidy Agreement. The provisions of this Section constitute the "Business Subsidy Agreement" for purposes of the Minnesota Business Subsidy Act (Minnesota Statutes §§ 116J.993-995 and its successor statute.)

(a) The Borrower acknowledges and agrees that the provisions of Minnesota's Business Subsidy Act apply to this Agreement, as Borrower is receiving under the terms of this Agreement government assistance.

(1) The subsidy provided to the Borrower includes the $500,000 Loan made hereunder which will be used for the purchase of equipment that will be located on the Development Property.
(2) The public purposes and goals of the subsidy are to increase net jobs in the City.
(3) The goals for the subsidy are to create jobs that pay a livable wage, per Section 7.1(b) of this Agreement.
(4) If the goals are not satisfied, the Borrower shall make payment to the Lender as required in Section 7.2.
(5) The subsidy is needed because equipment costs make the Project economically infeasible without the Loan.
(6) The Borrower must continue operations in the jurisdiction for at least five years following the Benefit Date.
(7) The Borrower does not have a parent corporation.

(b) By no later than the Compliance Date and continuing through at least the Compliance Date, the Borrower shall:

(1) Maintain ninety two (92) full time equivalent jobs existing in Minnesota.

(2) Create forty (40) new permanent full time equivalent (FTE) positions (over and above the existing 92 full time equivalent positions located in Minnesota) at the Borrower's existing facilities located in West St. Paul by the Goal Deadline, all of which shall be at a wage of at least $15.47 cash wages per hour (exclusive of Benefits) plus a Benefit package sufficient for these new jobs at a value of at least $4.68 per hour. However, whether or not the wages include Benefits, the total compensation package shall be at least $20.15 per hour. Benefits are defined as one or more of the following: health, dental, life and disability insurance, retirement program and profit sharing expenses paid by the employer (and not mandated by law).

Section 7.2. Default on Business Subsidy Act Requirements.

(a) If the Borrower fails to meet the job creation goal and wage level commitment by the Compliance Date, the Lender may, after holding a public hearing, extend the Compliance Date for one year, after approval from the State. If, after the extension, the Borrower fails to meet the job creation goal and wage commitment, the Borrower will be required to repay to the Lender all or a proportional share of the Loan funds on an accelerated term at $12,500 per job not created, plus interest as defined in Section 7.2(b).

(b) In the event of an Event of Default arising from a breach by the Borrower of any provision of Section 7.1 of this Agreement, if the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31st of the previous year, exceeds one percent (1)% on the date of the earliest such Event of Default, the Borrower shall, in addition to any other payment required hereunder, pay to the Lender the difference between the present value of the interest actually paid and accrued on the Loan as of the date of the payment required by this Section 7.2(b), and the amount of interest that would have been paid and accrued on the Loan if the interest rate of the Loan at all times had been equal to the implicit price deflator on the date of the earliest Event of Default.

(c) Nothing in this Section 7.2(c) shall be construed to limit the Lender's rights or remedies under any other provision of this Agreement, and the provisions of Section 7.2(a) and (b) are in addition to any other such right or remedy the Lender may have available.

Section 7.3. Reporting. The Borrower shall provide to the Lender information regarding job and wage goals and results for two years after the benefit date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met by the Compliance

Date. If the goals are not met, the Borrower must continue to provide information on the Loan until the Loan is repaid. The information must be filed on the Non-JOBZ Minnesota Business Assistance form as found on the MN Department of Employment and Economic Development website:

http://mn.gov/deed/government/business-subsidy/report-forms/index.jsp

The report must be filed no later than March 1 of each year for the previous year. If the Borrower does not submit the report, the Lender shall mail the Borrower a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Borrower fails to provide a report, the Borrower must pay to the Lender a penalty of $100 for each subsequent day until the report is filed. The maximum penalty shall not exceed $1,000.

ARTICLE 8
Job Listing Agreement

Section 8.1 In accordance with Minn. Stat. §116L.66, Subd. 1, the Borrower shall enter into a Job Listing Agreement with the MN Department of Employment and Economic Development, Workforce Center Business Services, and agree to list any vacant or new positions at www.minnesotaworks.net.

ARTICLE 9
Nondiscrimination

Section 9.1. Nondiscrimination on account of race, creed, or color. The provisions of Minnesota Statutes, §181.59 and any successor statutes, which relate to civil rights and discrimination, shall be considered a part of this Agreement as though wholly set forth herein and the Borrower shall comply with each such provision throughout the term of this Agreement.

ARTICLE 10
Borrower's Acknowledgments, Representations and Warranties

Section 10.1. Acknowledgments. (a) The Borrower acknowledges that the Lender, in order to obtain funds for part of the Borrower's activities in connection with the Project, has applied for the MIF Grant to the State under the Minnesota Investment Fund Program, Business and Community Development Division, and that the Lender has entered into the Grant Contract with the State, setting forth the terms, conditions, and requirements of the MIF Grant. The Borrower further acknowledges that it has made certain representations and statements in the Grant Application concerning its activities relating to the Project, and that the Borrower is designated and identified under the Grant Contract.

(b) A copy of the Grant Contract shall be on file in the offices of the Lender. In the event any provision of this Agreement relating to the Borrower's obligations hereunder is inconsistent with the provisions of the Grant Contract relating to the Borrower's activities there under, the provisions of the Grant Contract shall prevail.

(c) The Borrower acknowledges that nothing contained in the Grant Contract or this Agreement, nor any act of the State or the Lender, shall be deemed or construed to create between the State and the Borrower (or, except as Borrower and Lender between the Lender and the Borrower) any relationship, including but not limited to that of third-party beneficiary, principal and agent, limited or general partnership, or joint venture.

Section 10.2. Representations and Warranties. The Borrower warrants and represents, in connection with the MIF Grant and for the benefit of the State and the Lender, that:

(a) Representations, statements, and other matters provided by the Borrower relating to those activities of the Project to be completed by the Borrower, which were contained in the Grant Application, were true and complete in all material respects as of the date of submission to the Lender and that such representations, statements, and other matters are true as of the date of this Agreement and that there are no adverse material changes in the financial condition of the Borrower's business.

(b) To the best of the Borrower's knowledge, no member, officer, or employee of the Lender, or its officers, employees, designees, or agents, no consultant, member of the governing body of the Lender, and no other public official of the Lender, who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project or in any activity, or benefit there from, which is part of the Project.

(c) The Borrower acknowledges that the State, in selecting the Lender as recipient of the Grant, relied in material part upon the assured completion of the Project to be carried out by the Borrower, and the Borrower warrants that said Project will be carried out as promised.

(d) The Borrower warrants that to the best of its knowledge, it has obtained all federal, state, and local governmental approvals, reviews, and permits required by law to be obtained in connection with the Project and has undertaken and completed all actions necessary for it to lawfully execute this Agreement as binding upon it.

(e) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the Leveraged Funds, and that any duly authorized representative of the State shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Borrower until such time that the Lender and the State have both determined that all issues, requirements, and close-out procedures relating to or arising out of the MIF Grant have been settled and completed.

(f) The Borrower warrants that no transfer of any or all of the Loan Proceeds by the Lender to the Borrower shall be or be deemed an assignment of Loan Proceeds, and the Borrower shall neither succeed to any rights, benefits, or advantages of the Lender under the Grant Contract, nor attain any right, privileges, authorities, or interest in or under the Grant Contract.

(g) The Borrower warrants that it has fully complied with all applicable local, state, and federal laws pertaining to its business and will continue such compliance throughout the terms of this Agreement. If at any time notice of noncompliance is received by the Borrower, the Borrower agrees to take any necessary action to comply with the local, state, or federal law in question.

ARTICLE 11
Other Special Conditions

Section 11.1. Prevailing Wage. A business that receives a loan for $500,000 or more is subject to Minn. Stat. §116J.871, whereby, the business must pay the prevailing wage rate, as defined in Minn. Stat. §177.42, Subd. 6 to laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the loan is provided.

Section 11.2. Surety Deposits Required for Construction Contracts. If the Borrower is hiring, contracting, or having a contract with a nonresidential person or foreign corporation to perform construction work, the Borrower must comply with Minn. Stat. §290.9705, as amended, by deducting and witholding eight percent (8%) of cumulative calendar year payments to the contractor which exceeds $50,000. This condition may be waived if:

(a) the contractor gives the commissioner a cash surety or a bond, secured by an insurance company licensed by Minnesota, conditioned that the contractor will comply with all applicable provisions of this chapter and chapter 297A; or

(b) the contractor has done construction work in Minnesota at any time during the three calendar years prior to entering the contract and has fully complied with all provisions of this chapter and chapter 297A for the three prior years.

Section 11.3. Workers Compensation Insurance. The Borrower has obtained workers compensation insurance as required by Minnesota Statutes, §176.181, subd. 2. The Borrower's workers compensation insurance information is as follows:

(a) Company Name: ____

(b) Policy Number: ______

(c) Local Agent: ______

Section 11.4. Business with the State of Minnesota/State Tax Laws. The Borrower is required by Minnesota Law to provide its Minnesota tax identification number if it does business with the State of Minnesota. This information may be used in the enforcement of Federal and State tax laws. Supplying these numbers could result in an action to require the Borrower to file State tax returns and pay delinquent State tax liabilities. This Agreement will not be approved unless these numbers are provided. These numbers will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations.

Minnesota Tax ID: ____

Federal Employer ID: _______________________________

Section 11.5. Review of Documents. The Borrower shall not be entitled to any disbursement of Loan Proceeds until the Lender's legal counsel and the State have reviewed and approved this Agreement and the exhibits attached hereto.

Section 11.6. Effect on Other Agreements. Nothing in this Agreement shall be construed to modify any term of any other agreement to which the Lender and the Borrower are parties.

Section 11.7. Release and Indemnification Covenants. Except for any breach of the representations and warranties of the Lender or the negligence or other wrongful act or omission of the following named parties, the Borrower agrees to protect and defend the Lender and the governing body members, officers, agents, servants, and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, maintenance, and operation of the Project and the Borrower's activities on the Development Property.

Section 11.8. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Borrower and the lender and approved by the State.

Section 11.9. Notices and Demands. Any notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

(a) as to the Lender:

West St. Paul Economic Development Authority
ATTN: Jim Hartshorn
1616 Humboldt Avenue,
West St. Paul, MN 55118

(b) as to the Borrower:

The Tapemark Company
ATTN: David O'Brien
1685 Marthaler Lane
West St. Paul, MN 55118

or at such other address with respect to any party as that party may, from time to time, designate in writing and forward to the others as provided in this Section 11.9.

Section 11.10. Conflict of Interests; Representatives Not Individually Liable. No employee, officer or agent of the Lender shall participate in the administration of a contract supported by this loan if a conflict of interest, real or apparent, would be involved. No employee, officer or agent of the Lender may obtain a financial interest in any agreement with respect to this loan. No employee, officer, or agent of the Lender shall be personally liable to the Borrower or any successor in interest in the event of any default or breach by the Lender or for any amount that may become due to the Borrower or on any obligation or term of this Agreement.

Section 11.11. Binding Effect. The covenants and agreements in this Agreement shall bind and benefit the heirs, executors, administrators, successors, and assigns of the parties to this Agreement.

Section 11.12. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 11.13. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted only for convenience of reference and shall be disregarded in construing or interpreting any of its provisions.

Section 11.14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.15. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 11.16. Waiver. The failure or delay of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy shall not be deemed to be a waiver of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.

Section 11.17. Entire Agreement. This Agreement, with the exhibits hereto, constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement.

Section 11.18. Separability. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

Section 11.19. Immunity. Nothing in this Agreement shall be construed as a waiver by the Lender of any immunities, defenses, or other limitations on liability to which the Lender is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

Section 11.20 Publicity and Endorsement.

(a) Publicity. Any publicity regarding the subject matter of this loan contract must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract; and

(b) Endorsement. The Grantee and the Borrower must not claim that the State endorses its products or services.

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IN WITNESS WHEREOF, the Lender has caused this Agreement to be duly executed in its name and behalf and the Borrower has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

West St. Paul Economic Development Authority

By ______________________________

Its President

By ______________________________
James Hartshorn
Its Executive Director

The Tapemark Company

By ___________________________

Its ___________________________

EXHIBIT A

Amortization Schedule