

## CONTINUING GUARANTY

THIS CONTINUING GUARANTY ("Guaranty") is made this 30 day of November, 2016 by Mohamed Shambolia ("Guarantor"), in favor of L.H. Meltzer, LLC, a Minnesota limited liability company ("Seller").

### RECITALS

A. SMH Inc., a Minnesota corporation ("Purchaser"), has requested of Seller certain loans or other financial accommodations, as hereinafter defined.

B. The undersigned has an ownership interest in the Purchaser so that the undersigned has a direct and substantial economic interest in Purchaser and expects to derive substantial benefits from any loans and financial accommodations resulting in the creation of indebtedness of Purchaser to Seller.

C. The Seller has refused to provide such loans or other financial accommodations to Purchaser unless and until the undersigned agrees to guarantee the obligations of Purchaser to the Seller.

**NOW, THEREFORE**, in consideration of the above-stated recitals and to induce the Seller to hereafter extend credit to the Purchaser, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned does hereby unconditionally guarantee the prompt payment to the Seller when due, whether at the maturity date or dates specified therein or theretofore upon acceleration of maturity pursuant to the provisions thereof, Purchaser's now existing or hereafter arising obligations under that certain contract for deed dated of even date herewith by and between the Seller and Purchaser ("Contract for Deed") or such other indebtedness of whatsoever nature upon or for which the Purchaser is or may hereafter become obligated to the Seller and any amendments, extensions, renewals, restatements, or replacements, or any modification of the interest rates, maturities, or other contractual terms applicable thereto; whether as maker, acceptor, drawer, endorser, guarantor, surety or otherwise; and all such debts, liabilities, obligations and all costs and expenses for the collection thereon including, but not limited to, attorneys' fees for trial or for the pursuance of, or defense of, any litigation, appellate, bankruptcy, or insolvency proceeding are hereinafter collectively referred to as the "Obligations," together with any and all expenses of, and incidental to, as described in Paragraph 5 hereunder. Unless otherwise defined herein, all capitalized terms used in this Guaranty shall have the same meanings as defined in the Contract for Deed.

This Guaranty is absolute, complete and shall be continuing, requiring no notice of any present or future Obligations or of any renewal, compromise, or extension thereof, nor does any amendment or modification in the terms of the same need be given to the undersigned, who hereby expressly waives presentment, demand, notice of nonpayment, protest and notice of protest on any and all items constituting the Obligations hereby guaranteed and also notice of acceptance of this Guaranty.

1. This is an absolute, unconditional and continuing guaranty of payment of the Obligations and shall continue to be in force and be binding upon the undersigned, whether or not all of the Obligations are paid in full, until this Guaranty shall be revoked prospectively as to future transactions, by written notice actually received by the Seller, and such revocation shall not be effective as to the Obligations existing or committed for at the time of actual receipt of such notice by the Seller, or as to any renewals, extensions and refinancing thereof. The death or incompetence of the undersigned shall not revoke this Guaranty, except upon actual receipt of written notice thereof by the Seller and then only prospectively, as to future transactions, as herein set forth.

2. I authorize the Seller to forward any and all collateral which it may have from time to time to hold as security for the Obligations hereby guaranteed to the Purchaser for collection and remittance, or for credit. I agree that no renewal, extension, compromise, exchange, release or surrender of any such collateral, and no release or discharge of any party liable thereon, with or without consideration and with or without notice, shall affect my liability on this Guaranty.

3. I specifically agree that Seller may from time to time, without notice, which notice is hereby waived by me, extend, modify, renew or compromise the Obligations hereby guaranteed, in whole or in part, without releasing, extinguishing or affecting my liability on this Guaranty in any manner whatsoever.

4. This Guaranty is not conditioned upon any other person or party signing the same. It shall as to me continue in full force and effect, notwithstanding the death or release of any guarantor or co-surety, both as to the Obligations of the Purchaser then existing and/or thereafter created.

5. Notwithstanding anything to the contrary contained herein, my liability hereunder shall at all times equal one hundred percent (100.00%) of the Obligations then outstanding; plus, all costs and expenses, including attorneys' fees and legal expenses incurred by the Seller in connection with the interpretation, protection, defense, enforcement, or collection of this Guaranty and the enforcement or collection of the Obligations guaranteed hereby, whether or not suit is filed, or for the pursuance of, or defense of, any litigation, appellate, bankruptcy, or insolvency proceeding.

6. I waive any requirement that the Seller seek payment by the Purchaser or any other person, such as another guarantor, of the amounts owing to the Seller as a condition precedent to bringing any action against me upon this Guaranty, it being agreed that any demand by the Seller for performance by the Purchaser of the Obligations herein guaranteed, and failure of the Purchaser to meet such Obligations, shall, without further act, make me liable as herein set forth.

7. I waive all right of subrogation, contribution or indemnity and expressly subordinate and agree to stand still and not enforce any of my other remedies against Purchaser under this Guaranty or any other agreement now existing or hereinafter created by and between the undersigned and the Purchaser until the entire Obligations of Purchaser have been fully paid.

8. I waive any and all defenses, claims and discharges of Purchaser, or any other obligor, pertaining to the obligations, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, I shall not assert, plead or enforce against the Seller any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality, marshalling or unenforceability that may be available to Purchaser or any other person liable in respect of any Obligations, or any set off available against the Seller to Purchaser or any such other person, whether or not on account of a related transaction.

9. I specifically agree that in the event of the foreclosure of any mortgage or any other security interest securing the Obligations guaranteed hereby including, but not limited to, the delivery of a deed in lieu of foreclosure or similar instrument, and in the event of a deficiency resulting therefrom, I shall be, and hereby am, expressly made liable to the Seller for the amount of such deficiency, notwithstanding any provision of Minnesota law which may prevent the Seller from enforcing such deficiency against the Purchaser. I further specifically agree and understand that my obligations under this Guaranty shall survive any foreclosure proceeding, foreclosure sale, the delivery of a deed in lieu of foreclosure, or voluntary surrender agreement, and the release of any security instrument of record.

10. If I should die or become insolvent (however defined) or I voluntarily commence or there is commenced involuntarily against me a case under the United States Bankruptcy Code, the full amount of all Obligations, whether due and payable or unmatured, shall be immediately due and payable by the undersigned, without demand or notice thereof.

11. I further agree that, if at any time all or any part of any payment theretofore applied by the Seller to any of the Obligations of the Purchaser is or must be rescinded or returned by the Seller for any reason whatsoever including, without limitation, the insolvency, bankruptcy or reorganization of the Purchaser, or if at any time all or any part of the Obligations of the Purchaser shall be discharged or released in bankruptcy, such Obligations shall, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned or to the extent that such Obligations are discharged or released in bankruptcy, be deemed to have continued in existence, notwithstanding such application by the Seller or such discharge or release in bankruptcy, and this Guaranty shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Seller or discharge or release in bankruptcy had not been made.

12. Any demand or notice by the Seller may be given to me by, and shall be effective upon, depositing it first class in the United States mail to the address set forth below, or such other address as I may notify the Seller of in writing.

13. The execution and delivery of this Guaranty shall not be construed to be a revocation of any prior guaranty given by me to the Seller, whether given as a guarantee of the Obligations of the Purchaser or of any other purchaser of the Seller. The liability of the undersigned under this Guaranty is in addition to and shall be cumulative with all other liabilities of the undersigned to the Seller as guarantor, surety, endorser, accommodation co-obligor or otherwise of any indebtedness or obligation of the Purchaser, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

14. Any one or more of the following events shall constitute an event of default under this Guaranty ("Event of Default"): (a) the undersigned shall fail to perform or observe any term, covenant or agreement contained in this Guaranty; or (b) an Event of Default shall occur under the terms and conditions of the Contract for Deed.

15. The undersigned specifically agrees that: (a) the undersigned shall indirectly benefit by and from the loans or other financial accommodations provided to the Purchaser by the Seller as evidenced by the Obligations; (b) the undersigned by executing and delivering this Guaranty has not breached any term or covenant restricting the undersigned from guaranteeing or otherwise becoming liable for the obligations of any person or entity including, but not limited to, the Purchaser; (c) the undersigned has received legal and adequate consideration for the execution of this Guaranty and has executed and delivered this Guaranty to the Seller in good faith in exchange for reasonably equivalent value; (d) the undersigned is not presently insolvent and the undersigned shall not be rendered insolvent by virtue of the execution and delivery of this Guaranty; and (e) the undersigned has not executed or delivered this Guaranty with the actual intent to hinder, delay or defraud the undersigned's creditors.

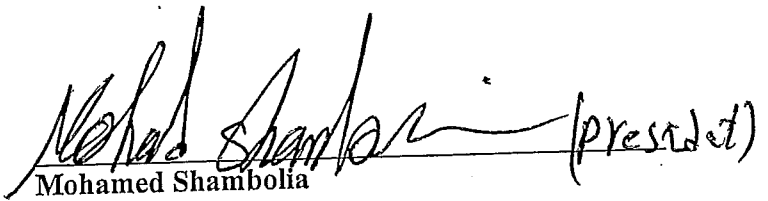
16. Wherever possible, each provision of this Guaranty shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

17. The validity of this Guaranty, its construction, interpretation and enforcement and the rights of the parties hereto shall be determined under, governed by and construed in accordance with the internal laws of the State of Minnesota, without regard to principles of conflicts of law. The undersigned agrees to irrevocably submit to the jurisdiction of the courts of Ramsey County, Minnesota, and the federal courts of the United States of America located in such state in respect of all actions arising out of or in connection with the interpretation or enforcement of this Guaranty, waive any argument that venue in such forums is not convenient and agree that any actions instituted by the undersigned shall be venued in such forums.

18. **The undersigned hereby knowingly, voluntarily and intentionally waives the right the undersigned may have to a trial by jury in respect to any litigation based on, or arising out of, under or in conjunction with the Obligations, the Contract for Deed, this Guaranty, and any other document contemplated to be executed in conjunction herewith or therewith or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the undersigned. This provision is a material inducement for Seller making the loan evidenced by the Obligations.**

19. Nothing shall affect my liability or the liability of my heirs, executors, administrators and assigns on this Guaranty, except the cancellation and surrender of this Guaranty by the Seller.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed on the day and year first above written.

 (president)  
Mohamed Shambolia

15593 Shadow Creek Road  
Maple Grove, Minnesota 55311

3426616v1

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF Hennepin    )

**GUARANTOR'S AFFIDAVIT**

The undersigned, being duly sworn, hereby deposes and states, for the purpose of inducing L.H. Meltzer, LLC, a Minnesota limited liability company ("Seller"), to make a loan to SMH Inc., a Minnesota corporation ("Purchaser"), for the principal amount of Three Hundred Thirty Thousand and 00/100 Dollars (\$330,000.00) ("Loan") pursuant to the terms and conditions set forth in that certain contract for deed dated of even date herewith ("Contract for Deed"), by and between the Seller and Purchaser, that the following representations are true and correct:

1. Unless otherwise defined herein, all capitalized terms used in this affidavit shall have the same meanings as defined in the Credit Agreement.
2. The undersigned is a resident of the State of Minnesota and has guaranteed the obligations of the Purchaser under the Contract for Deed.
3. There are no tax liens (state or federal), judgments, or decrees against the undersigned.
4. The undersigned is not involved in any bankruptcy, reorganization, or insolvency proceeding.
5. There is no pending or threatened litigation, action, suit or proceeding against the undersigned or the Purchaser by or before any court, administrative, or other tribunal which might affect the priority or security of the Contract for Deed or the ability of the undersigned or the Purchaser to comply with the terms of the instruments evidencing and securing the Loan.
6. The execution and delivery of all documents relating to the Loan and the performance of the obligations of the undersigned thereunder do not violate, conflict with or constitute a default under the terms or provisions of any indenture, mortgage, deed of trust, security agreement or other instrument by which the undersigned is bound.

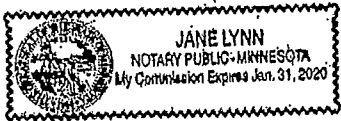
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AND THE FOLLOWING PAGE IS THE SIGNATURE PAGE.**

IN WITNESS WHEREOF, the undersigned has executed this affidavit on the \_\_\_\_ day of November, 2016.

SMH INC  
Mohamed Shambolia (president)  
Mohamed Shambolia

STATE OF MINNESOTA )  
COUNTY OF Hennepin ) ss.

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of November, 2016, by Mohamed Shambolia.



Jane Lynn  
Notary Public