

PROMISSORY NOTE

\$73,003.96

April 17, 2018

DOGGIE DOO'S SPA & RETREAT INC, a Minnesota corporation (together with its successors and assigns, the "Maker" or the "Borrower"), for value received, hereby promises to pay to the CITY OF SHAKOPEE, MINNESOTA, a statutory city and political subdivision of the State of Minnesota (the "City," and together with any successors or assigns, the "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Seventy-Three Thousand Three Dollars and 96/100 (\$73,003.96), or so much thereof as may be advanced under this Promissory Note (the "Note"), with interest as hereinafter provided, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The loan of the proceeds of the Note to the Borrower (the "Loan") pursuant to the Loan Agreement of even date herewith (the "Loan Agreement") between the Borrower and the City shall not bear interest.

2. The Loan shall be forgiven by the City if the Borrower maintains the job and wage goals as provided in Section 5 of the Loan Agreement.

3. If the Loan is not forgiven, the amount of the Loan that must be repaid shall bear interest at a rate of two percent (2%) per annum. Interest shall commence to accrue as of the first day of the first month following a default by the Borrower with respect to Section 5 of the Loan Agreement. Payments of principal and interest shall commence on the first day of the first month following the receipt by the Borrower of notice from the City of a default by the Borrower with respect to the job and wage goals in Section 5 of the Loan Agreement and shall continue on the first day of each and every month thereafter until paid in full. Such payments shall fully amortize the Loan over two (2) 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 twenty-fifth month following such default.

4. The Maker shall have the right to prepay the principal of this Note, in whole or in part, on any date a payment of principal and interest, if any, is due and payable.

5. This Note is given pursuant to the Loan Agreement and the Security Agreement of even date herewith (the "Security Agreement") from the Borrower in favor of the City. If either the Loan Agreement or the Security Agreement is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, the Security Agreement, or any other instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Loan Agreement, the Security Agreement, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice

to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

6. The remedies of the Holder of this Note as provided herein, and in the Loan Agreement, the Security Agreement, or any other instrument securing this Note shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

7. If any term of this Note, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

9. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

10. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the date and year first written above.

DOGGIE DOO'S SPA & RETREAT INC

By _____
Its _____