AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT (the "Agreement") is made this 15 day of October, 2019, between the CITY OF SHAKOPEE, MINNESOTA, a statutory city and political subdivision of the State of Minnesota (the "City"), and DOGGIE DOO'S SPA & RETREAT INC, a Minnesota corporation (the "Borrower"). This Agreement amends and restates the Loan Agreement between the City and the Borrower dated April 17, 2018.

RECITALS

A. In consideration for the loan contemplated by this Agreement, the Borrower is executing and delivering to the City this Agreement, a Security Agreement of even date herewith (the "Security Agreement"), and a Promissory Note of even date herewith (the "Note").

B. The City agrees to loan to the Borrower the maximum amount of $73,003.96 to finance the costs of the acquisition of equipment (the "Project") for the Borrower's business to be located at 2555 Vierling Drive West (the "Property") in the City.

C. In exchange for the Loan, the Borrower has agreed to meet certain wage and jobs goals. The Loan will be considered a forgivable loan provided that the Borrower complies with the wage and job goals set forth in Section 5 hereof.

ACCORDINGLY, to induce the City to make the loan to the Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, the City agrees to loan to the Borrower the sum of $73,003.96, or so much thereof as is disbursed to the Borrower in accordance with this Agreement (the "Loan"). The Loan shall be increased by $12,000 if the Borrower vacates its current location no later than January 31, 2020. The Loan shall be evidenced by the Note payable by the Borrower to the City. Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan. The Loan shall be considered a forgivable loan provided that the Borrower complies with the wage and jobs goals of Section 5 hereof. If the Borrower does not comply with the goals within five (5) years of the Benefit Date (hereinafter defined), then the Loan shall be repaid in accordance with Section 5 hereof.

3. Disbursement of Loan Proceeds.

(a) The Loan proceeds shall be paid to the Borrower on December 15, 2019, or such other date as the parties hereto agree (the "Loan Closing Date").

(b) The following events shall be conditions precedent to the payment of the Loan proceeds to the Borrower on the Loan Closing Date:

(i) the Borrower having executed and delivered to the City, prior to the Loan Closing Date and without expense to the City, executed copies of this Agreement, the Security Agreement, and the Note;

(ii) the Borrower having provided evidence satisfactory to the City that the Borrower has established a separate accounting system for the exclusive purpose of recording the receipt and expenditure of the Loan proceeds;

(iii) the Borrower having paid $1,000 to the City as a loan origination fee;

(iv) the Borrower having paid to the City the full amount of the legal fees incurred by the City in the negotiation and preparation of this Agreement and any other agreement or instrument securing the Loan (and the City shall provide to the Borrower an invoice for such legal fees promptly upon receipt); and

(v) the Borrower having provided evidence satisfactory to the City that the Borrower has obtained adequate financing to complete all activities related to the Borrower's undertakings on the Property.

4. Representations and Warranties. The Borrower represents and warrants to the City that:

(a) The Borrower is a corporation organized under the laws of the State of Minnesota and is duly authorized and empowered to execute and deliver this Agreement, perform all obligations hereunder, and to borrow money from the City.

(b) The execution and delivery of this Agreement, and the performance by the Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon the Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of the Borrower, and this Agreement has in fact been duly executed and delivered by the Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of the City 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 pertaining to the Loan until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) The Borrower warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, the Borrower agrees to take any necessary action to comply with the state or federal law in question.

(f) The Borrower warrants that it will use the proceeds of the Loan made by the City solely for the costs of the Project.

(g) The Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Loan Agreement, except as otherwise authorized in writing by the City.

5. Business Subsidy.

(a) The parties agree and understand that the aggregate amount of the City's financial assistance to the Borrower is less than $150,000 and is not a "business subsidy" within the meaning of the Business Subsidy Act.

(b) Notwithstanding the foregoing, the Borrower agrees to maintain ten (10) employees at the Property and to cause the average wage for all employees to be no less than $13.00 per hour, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and jobs goals are satisfied within five (5) years of the date that the Project is placed in service (the "Benefit Date"), the Loan provided to the Borrower shall be forgiven by the City. Furthermore, if the wage and jobs goals are satisfied within five (5) years of the Benefit Date (the "Compliance Date"), these goals shall be deemed satisfied despite the Borrower's continuing obligations under this Agreement.

(c) If the Borrower fails to meet the job and wage goals provided in subsection (b) above by the Compliance Date, the City shall notify the Borrower in writing of such default, and the Borrower shall repay all or a portion of the Loan as follows: payments of principal and interest shall commence on the first day of the first month following the Loan Repayment Commencement Date and shall continue on the first day of each and every month thereafter until paid in full. The Loan Repayment Commencement Date shall be the date on which the Borrower receives notice from the City that it has not met the job and wage goals. Such payments shall fully amortize the portion of the Loan that must be repaid 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 the Loan Repayment Commencement Date.

(d) The Borrower must submit to the City a written report regarding the goals and results by no later than March 1 of each year, commencing March 1, 2019, and continuing until the later of (i) the date the goals stated subsection (b) above are met; or (ii) if the goals are not met, the date the Loan is repaid in full. The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Borrower regarding the required forms. If the Borrower fails to timely file any report required under this Section, the City will mail the Borrower a warning within one (1) week after the required filing date. If, after fourteen (14) days of the postmarked date of the warning, the Borrower fails to provide a report, the Borrower must pay to the City a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

6. Event of Default by the Borrower. The following shall be Events of Default under this Agreement:

(a) if the Borrower is not in compliance with Section 5 hereof, failure to pay any principal or interest on the Loan when due;

(b) any representation or warranty made by the Borrower herein or in any document, instrument, or certificate given in connection with this Agreement, the Security Agreement, or the Note is false when made;

(c) failure to pay the Borrower's 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, 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;

(d) a garnishment summons or writ of attachment is issued against or served upon the City for the attachment of any property of Borrower in the City's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(e) any breach or failure of the Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after the City has given written notice to the Borrower specifying such default or breach, unless the City agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the City will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder); and

(f) any breach by the Borrower of any other agreement between the Borrower and the City.

7. The City's Remedies upon the Borrower's Default. Upon an Event of Default by the Borrower and after provision by the City of written notice, the City shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

(a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable upon providing written notice to the Borrower;

(b) suspend its performance under this Loan Agreement; or

(c) take any action provided for at law to enforce compliance by the Borrower with the terms of this Agreement and the Note.

In addition to any other amounts due on the Loan, and without waiving any other right of the City under any this Agreement or any other instrument securing the Loan applicable documents, the Borrower shall pay to the City a late fee of $20 for any payment not received in full by the City within thirty (30) calendar days of the date on which it is due. Furthermore, interest will continue to accrue on any amount due until the date on which it is paid to the City, and all such interest will be due and payable at the same time as the amount on which it has accrued.

8. The City's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by the City, the Borrower shall pay or reimburse the City for all expenses, including all attorneys' fees and expenses incurred by the City in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests and collateral

security of the City in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) The Borrower shall and does hereby agree to protect, defend, indemnify, and hold the City, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the City by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) Should the City, or its officers, agents, or employees, incur any such liability or be required to defend against any claims or demands pursuant to Section 9, or should a judgment be entered against the City, the amount thereof, including costs, expenses, and attorneys fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and the Borrower shall reimburse the City for the same immediately upon demand, and upon the failure of the Borrower to do so, the City may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to the City. The Borrower waives notice of the acceptance of this Agreement by the City.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which the Borrower is entitled under law.

10. Miscellaneous.

(a) Waiver. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by the Borrower and the City. 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.

(b) Assignment. This Agreement shall be binding upon the Borrower and its successors and assigns and shall inure to the benefit of the City and its successors and assigns. All rights and powers specifically conferred upon the City may be transferred or delegated by the City to any of its successors and assigns. The Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by the City.

(c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the State of Minnesota. 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.

(d) Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, first class mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To the City: City of Shakopee
485 Gorman Street
Shakopee, MN 55379
Attention: City Administrator

To the Borrower: Doggie Doo's Spa and Retreat Inc
2555 Vierling Drive West
Shakopee, MN 55379
Attention: Carrie Engh

(f) Termination. If the Loan is not disbursed pursuant to this Agreement by January 30, 2020, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because the Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then the Borrower shall pay to the City all reasonable attorneys' fees, costs, and expenses incurred by the City in connection with this Agreement and the Note.

(g) Entire Agreement. This Agreement constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

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

IN WITNESS WHEREOF, the City and the Borrower have executed this Amended and Restated Loan Agreement as of the date and year first written above.

CITY OF SHAKOPEE, MINNESOTA

By _____
William P. Mars
Its Mayor

By _____
William H. Reynolds
Its City Administrator

Execution page of the Borrower to the Loan Agreement, dated as of the date and year first written above.

DOGGIE DOO'S SPA & RETREAT INC

By _____
Its _____