

SECOND AMENDED ARROWHEAD ZOOLOGICAL SOCIETY
LINE OF CREDIT PROMISSORY NOTE

\$300,000.00

October __, 2018

FOR VALUE RECEIVED, Arrowhead Zoological Society, a 501(c)(3) Minnesota Non-Profit (the “Maker), having an office at 7210 Fremont Street, Duluth, MN 55807, does hereby promise to pay to the order of the City of Duluth, Minnesota (the “Lender”), at such place as Lender may designate in writing in lawful money of the United States of America, the principal sum of up to Three Hundred Thousand Dollars (\$300,000.00), or such lesser amount as may be borrowed by the Maker as Advances under this line of credit promissory note (the “Note”).

This Note shall bear interest at the rate of two and one-half percent (2.5%) per annum.

The entire outstanding principal amount of this Note shall be due and payable on October 1, 2020 (the “Maturity Date”).

1. Advances. Subject to the provisions of Section 2 below, the Maker shall have the right, at any time or from time to time prior to the Maturity Date to request loans and advances from the Lender (individually an “Advance” and collectively, the “Advances”). Each such Advance shall be reflected on Schedule A to this Note and initialed as received by the Chief Administrative Officer of the Maker.

2. Use of Proceeds. All proceeds received by the Maker from each Advance made by the Lender under this Note shall be used by the Maker solely to pay fees and expenses to be incurred by the Maker in connection with the operation of the Duluth zoo.

3. Payment on Maturity Date; Prepayments. The entire unpaid Advances under this Note shall be due and payable in full on the Maturity Date. At any time, and from time to time before the Maturity Date, Maker shall have the right to prepay all or any part of the Advances, in whole or in part, without premium or penalty. On the Maturity Date, if this Note has not been paid in full, it shall bear interest from inception at the rate of four percent (4%) per annum until paid in full.

4. Choice of Law; Venue and Jurisdiction. This Note shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects, including, but not limited to, the legality of the interest charged hereunder, by the statutes, laws and decisions of the state of Minnesota. The exclusive venue and/or jurisdiction for any proceeding that may be brought in connection with this Note shall be in state court located in Duluth, Minnesota, and each of the parties hereto irrevocably consents to such venue and/or jurisdiction.

SCHEDULE A

<u>Date of Advance</u>	<u>Amount of Advance</u>	Initials of Officers of Maker, Acknowledging <u>Receipt of Advance</u>
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