

## PROMISSORY NOTE

\$705,582.50

Minneapolis, Minnesota  
March 15, 2012

FOR VALUE RECEIVED, the undersigned, TOTI HOLDINGS, LLC, a Minnesota limited liability company ("Debtor"), promises to pay to the order of THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the State of Minnesota ("Creditor"), at its office Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, Attention: City Administrator, or at any other place designated at any time by the holder hereof, the principal sum of Seven Hundred Sixty-Two Thousand Three Hundred Dollars and No/100 Dollars (\$762,300.00), together with interest on the principal balance outstanding hereon from the date hereof as hereinafter provided.

1. Interest shall accrue on the unpaid principal balance of this Note as of the date hereof at the rate of six and one-half percent (6.5%) per annum. Commencing on the 15<sup>th</sup> day of April, 2012 and the same day of each month thereafter, Borrower shall make payments of interest only in the amount of \$3,821.91 per month. The total unpaid principal balance of this Note and accrued interest thereon shall be due and payable on the earlier of (i) September 14, 2012 (the "Maturity Date"), or (ii) acceleration of the Maturity Date in accordance with the terms hereof. Amounts repaid (including prepayments) in respect of this Note may not be reborrowed.

2. All payments of principal, interest, fees and expenses under this Note shall be made without set-off or counterclaim in immediately available funds in lawful money of the United States of America on the dates called for under this Note at the office of the Creditor designated above. Funds received on any day after such time shall be deemed to have been received on the next business day. Whenever any payment would be due on a day which is not a business day, such payment shall be made on the next succeeding business day and such extension of time shall be included in the computation of any interest or fees. All payments (or prepayments) received by the Creditor hereunder shall be applied to the principal sum, interest thereon and the other obligations of Debtor to the Creditor arising under or in connection with this Note in such order and manner as the Creditor may elect, and in the absence of any such election: first, to the payment of costs, expenses and fees due from Debtor to the Creditor arising under or in connection with this Note or the indebtedness evidenced hereby; next, to the payment of interest computed at the applicable rate provided for above; next, toward installments of the principal sum of this Note (in the case of a prepayment, in the inverse order of their maturities); and finally, to the payment of any other obligations due from Debtor and owing to Creditor.

3. Any payment not made by Debtor within five (5) days of the due date thereof, including without limitation any payment due on the Maturity Date, shall be subject to a late payment charge equal to five percent (5%) of such delinquent payment, and shall be immediately due by Debtor to the holder hereof. Notwithstanding any other provision of this Note apparently to the contrary, after the occurrence and during the continuance of an Event of Default hereunder the entire principal sum evidenced by this Note, together with all accrued and unpaid interest thereon, shall, at the option of the holder hereof, bear interest at a rate per annum (the "Default Rate") equal to eleven and one-half percent (11.5%) in excess of the rate of interest per annum which would otherwise be payable hereunder, which interest shall be due and payable in full on demand. This Note may be prepaid in whole or in part at any time without penalty or premium.

4. If for any reason whatsoever the interest and other consideration payable to Creditor hereunder exceeds the limit prescribed by any applicable usury statute or any other applicable law, then such interest and other consideration shall be reduced to the limit provided in such statute or law, so that

in no event shall such interest and other consideration be in excess of such limit. If any payments of interest or other consideration have been made to Creditor in excess of such limits, such excess amount shall be applied to the principal balance or, if the Note has been fully paid, refunded to Debtor. This provision shall control every other provision of all agreements between Debtor and Creditor and shall also be binding upon and available to any subsequent holder of this Note.

5. Debtor agrees that if, and as often as, this Note is given to an attorney for collection or defend or enforce any of Creditor's rights hereunder, Debtor will pay to Creditor Creditor's reasonable attorneys' fees, together with all court costs and other expenses paid by Creditor.

6. This Note is secured by, among other things, that certain Mortgage dated on or about the date hereof made by Debtor for the benefit of Creditor encumbering certain real property owned by Debtor in Anoka County, Minnesota and more particularly described in said Mortgage (the "Mortgage"). The full payment and prompt performance of this Note and all of the indebtedness evidenced hereby is unconditionally guaranteed by Brian R. Wingses ("Guarantor") pursuant to a Guaranty dated on or about the date hereof (as the same may be hereafter amended, supplemented or restated from time to time, the "Guaranty"). For purposes of this Note, "Transaction Documents" means collectively, this Note, the Mortgage, the Guaranty and all other documents, instruments, certificates, statements and agreements now or hereafter delivered that evidence or secure, in whole or in part, any obligations of Debtor to Creditor, or otherwise relate to such indebtedness or relate to any of the agreements enumerated above, in each case, as amended, restated, supplemented, renewed, replaced or otherwise modified from time to time.

7. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Note:

- (a) Debtor shall fail to make when due, whether by acceleration or otherwise, any payment of principal or interest on this Note or any fee or other amount required to be paid to the Creditor hereunder, or under any other Transactional Documents;
- (b) The occurrence of an event of default (however denominated) under any Transaction Documents;
- (c) Any non-compliance by Debtor with any of the terms, provisions, covenants or agreements set forth herein, or in any other Transaction Documents to which it is a party;
- (d) Any representation or warranty of Debtor herein or in any other Transaction Document, when made or deemed made, is false, misleading or incorrect in any respect;
- (e) The insolvency of Debtor or Guarantor;
- (f) (i) the appointment of a receiver for any part of the property of Debtor or Guarantor, (ii) the making by Debtor or Guarantor of an assignment for the benefit of creditors or (iii) the initiation by or against Debtor or Guarantor of any case or proceeding under the Federal Bankruptcy Code or any other state or federal insolvency law;
- (g) an event of default occurs under the terms of any indebtedness of Debtor or Guarantor to any creditor other than Creditor;
- (h) the entry of any judgment or other order for the payment of money in the amount of \$50,000 or more against Debtor or Guarantor;

- (i) Guarantor revokes or disavows, or attempts to revoke or disavow, the Guaranty; or
- (j) (i) Any material adverse change in the business, operations, results of operations, assets, liabilities or condition (financial or otherwise) of Debtor; or (ii) any material impairment of the ability of (A) Debtor to perform its obligations under this Note or any other Transaction Document, (B) Creditor to enforce the obligations of Debtor hereunder or under any other Transaction Document, or (C) Creditor to realize upon any collateral securing Debtor's obligations to Creditor.

8. If (a) any Event of Default described in item 7(f) above shall occur, the outstanding unpaid principal balance of this Note, the accrued interest thereon and all other obligations of Debtor to the Creditor shall automatically become immediately due and payable; or (b) any other Event of Default shall occur and be continuing, then the Creditor may take any or all of the following actions: (i) declare the outstanding unpaid principal balance of this Note, the accrued and unpaid interest thereon and all other obligations of Debtor to the Creditor to be forthwith due and payable, whereupon the outstanding unpaid principal balance of this Note, all accrued and unpaid interest thereon and all such obligations shall immediately become due and payable, in each case without demand or notice of any kind, all of which are hereby expressly waived, anything in this Note or any other agreements to the contrary notwithstanding, (ii) exercise all rights and remedies hereunder and under any other Transaction Document, and (iii) enforce all rights and remedies under any applicable law. Failure to exercise any right or remedy provided for or referenced herein shall not constitute a waiver of the right to exercise the same in connection with the applicable Event of Default or any subsequent Event of Default.

9. Debtor hereby waives demand, presentment for payment, notice of nonpayment, protest and notice of protest hereon, and agrees that when or at any time after this Note becomes due, the holder hereof may, without notice, offset or charge this Note against any amounts owed by the holder hereof to Debtor. Debtor further agrees (a) that, without any notice Creditor, may from time to time extend, renew or otherwise modify the dates or amounts of payment or release any collateral security for this Note, with or without consideration, and that in any such case Debtor and each endorser will continue to be liable to pay the unpaid balance of the indebtedness evidenced by this Note as so extended, renewed or modified and notwithstanding any such release, and (b) to pay all costs of collection, including reasonable attorneys' fees, if any payment is not made when due, and all costs and expenses, including reasonable attorneys' fees, incurred in protecting or preserving the collateral security for this Note. Such attorneys' fees shall be owed (i) whether suit is brought or not, and (ii) for any kind or an action, including, but not limited to, any bankruptcy, insolvency or similar proceedings and any probate or other proceedings involving a decedent, but shall not be owed in the case where Debtor is the prevailing party in actions or proceedings brought by Debtor against Creditor or actions or proceedings brought by Creditor against Debtor.

10. The execution, delivery, and performance of this Note by Debtor and each other Transaction Document to which it is a party, and the consummation of the transactions contemplated hereby and thereby, (i) are within the company powers of Debtor, (ii) have been duly authorized by Debtor's managers or members and no other proceedings on the part of Debtor are necessary, (iii) will not violate any provisions of Debtor's organizational documents or other documents of company governance, (iv) will not cause any breach or default under any contract or other agreement under which Debtor is a party and (v) will constitute the legal, valid, and binding obligations of Debtor. The recitals set forth herein and all information provided by Debtor to Creditor, previously or in connection with this Agreement, whether communicated orally or in writing, is true and correct in all material respects. The obligation of Debtor to repay the indebtedness evidenced by this Note is absolute and unconditional, and nothing has occurred that would give Debtor grounds to assert a defense, offset or counterclaim to the obligations of Debtor to repay such indebtedness.

11. Time is of the essence of this Note and each of the provisions hereof.

12. CREDITOR BY ITS ACCEPTANCE HEREOF AND DEBTOR HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THIS NOTE OR CONCERNING THE INDEBTEDNESS EVIDENCED HEREBY AND/OR ANY COLLATERAL SECURING SUCH INDEBTEDNESS, REGARDLESS OF WHETHER SUCH ACTION OR PROCEEDING CONCERNS ANY CONTRACTUAL OR TORTIOUS OR OTHER CLAIM. DEBTOR ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO CREDITOR ACCEPTING THIS NOTE, THAT CREDITOR WOULD NOT HAVE ACCEPTED THIS NOTE WITHOUT THIS JURY TRIAL WAIVER AND THAT DEBTOR HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS JURY TRIAL WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER.

13. THIS NOTE SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MINNESOTA. DEBTOR HEREBY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF MINNESOTA IN CONNECTION WITH ANY CONTROVERSY RELATED TO THIS NOTE, WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT AND AGREES THAT ANY LITIGATION INSTIGATED BY DEBTOR HEREOF AGAINST THE CREDITOR IN CONNECTION WITH THIS NOTE MAY BE VENUED IN EITHER THE DISTRICT COURTS OF HENNEPIN COUNTY, MINNESOTA, OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, FOURTH DIVISION.

DEBTOR: TOTI HOLDINGS, LLC, a Minnesota limited liability company

By: \_\_\_\_\_  
Name: Brian R. Wingses  
Title: Chief Manager

CREDITOR:

Accepted and agreed as of the date first set forth above:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the State of Minnesota

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Executive Director

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair