RESOLUTION NUMBER 7833

WHEREAS, The Local Option Municipal Economic Development Act, ("Act") Neb. Rev. Statutes 18-2701, et seq., was passed by the Nebraska Legislature which found: (1) there is a high degree of competition among states and municipalities in our nation in their effort to provide incentives for businesses to expand or locate in their respective jurisdictions; (2) municipalities in Nebraska are hampered in their efforts to effectively compete because of their inability under Nebraska law to respond quickly to opportunities or to raise sufficient capital from local sources to provide incentives for the provision of new services or business location or expansion decisions which are tailored to meet the needs of the local community; (3) the ability of a municipality to encourage the provision of new services or business location and expansion has a direct impact not only upon the economic well-being of the community and its residents but upon the whole State as well; and (4) there is a need to provide Nebraska municipalities with the opportunity of providing assistance to business enterprises in their communities, whether for expansion of existing operations, the creation of new businesses, or the provision of new services, by the use of funds raised by local taxation when the voters and the municipality determine that it is in the best interest of their community to do so; and

WHEREAS, the City of Beatrice has received a request for LB 840 funding from Newport Bakers, LLC, a California limited liability company, registered in the State of Nebraska; and

WHEREAS, such request would require an economic development line of credit totaling Two Hundred Fifty Thousand Dollars ($250,000.00), for the purchase of inventory and equipment for a full-service bakery located at 201 South 5th Street, Beatrice, Nebraska; and

WHEREAS, the City has sufficient funds budgeted for the coming fiscal year for the project request; and

WHEREAS, the City desires to enter into a loan agreement Newport Bakers, LLC, for the purchase of inventory and equipment for a full-service bakery located at 201 South 5th Street, Beatrice, Nebraska; and

WHEEREAS, the City's obligation to make said loan shall be contingent upon: (1) Newport Bakers, LLC acquiring the property commonly known as 201 South 5th Street, Beatrice, Nebraska; and (2) Beatrice Bakery Company satisfying in full its LB840 Loan in the amount of Two Hundred Forty Thousand Twenty-Two Dollars ($240,022.00) as set forth in the Loan Agreement dated June 18, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BEATRICE, NEBRASKA:

SECTION 1. That the Mayor and the City Clerk be authorized to execute a Line of Credit Agreement, Promissory Note, and Personal Guaranty, and any and all documents necessary to issue said loan between the City of Beatrice and Newport Bakers, LLC, for an economic development loan totaling Two Hundred Fifty Thousand Dollars ($250,000.00), from funds derived from LB 840 funds, and to execute all documents in accordance with the provisions of the same as outlined herein, subject to the following contingencies:

(1) Newport Bakers, LLC shall acquire the real property commonly known as 400 Bell Street, Beatrice, Nebraska; and

(2) Beatrice Bakery Company shall satisfy in full its LB840 Loan in the amount of Two Hundred Forty Thousand Twenty-Two Dollars ($240,022.00) as set forth in the Loan Agreement dated June 18, 2023.

SECTION 2. That all resolutions or parts of resolutions in conflict herewith are hereby repealed.

RESOLUTION PASSED AND ADOPTED this 17th day of August, 2026.

Attest:

Erin Saathoff, MMC, City Clerk

Robert Morgan, Mayor

LB840 ECONOMIC DEVELOPMENT
LINE OF CREDIT AGREEMENT
(NEWPORT BAKERS PROJECT)

THIS AGREEMENT dated the 17th day of August, 2026, is entered into by and between Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska, Patrick Sedarous, Ibrahim Elandaloussi (jointly and severally, "Borrower"), and the City of Beatrice, Nebraska, a Municipal corporation ("Lender").

WHEREAS, Borrower has applied to Lender for a LB840 Economic Development Line of Credit in the amount of Two Hundred Fifty Thousand Dollars ($250,000.00) for direct financial assistance for working capital for a full-service bakery located at 400 Bell Street, Beatrice, Nebraska ("Newport Bakers Project"); and

WHEREAS, the Newport Bakers Project includes the purchase of inventory and equipment for a full-service bakery located at 400 Bell Street, Beatrice, Nebraska; and

WHEREAS, the Borrower is a qualifying business and the Newport Bakers Project is an eligible activity as defined in the City of Beatrice, Nebraska Economic Development Program effective April 1, 2023 to March 31, 2029; and

WHEREAS, on July 14, 2026, the Citizen's Advisory Review Committee ("CARC") recommended the Beatrice City Council to approve the Borrower's LB840 funding request; and

WHEREAS, Lender is satisfied that this Line of Credit furthers the purposes and satisfies the requirements specified in the City of Beatrice Economic Development Program effective April 1, 2023 to March 31, 2029.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Purpose of the Line of Credit. The purpose of the line of credit is to provide Borrower with funds for direct financial assistance for working capital for a full-service bakery located at 400 Bell Street, Beatrice, Nebraska. The Newport Bakers Project includes the purchase of a full-service bakery Borrower agrees that it will use the Line of Credit funds received pursuant to this agreement only for the purchase and operation of said full-service bakery for such purposes.

2. The Line of Credit; Rate. The Lender hereby establishes a revolving line of credit in Borrower's favor in the amount of Two Hundred Fifty Thousand Dollars ($250,000.00) at an interest rate of six point seven five percent (6.75%) per annum; provided however, that no provision of this Agreement shall be deemed to require the Lender to advance any sum of money at any time. At any time that the Borrower desires to advance any sum of money hereunder, the

Borrower may request the same, and the Lender for any or no reason may deny such request. The Borrower acknowledges and agrees that the Lender may unilaterally terminate the Borrower's privilege to request advances hereunder or lower said amount.

3. Term; Repayment. This Line of Credit Agreement and the Note shall have a term of one (1) year with a balloon payment at the end of the term. This Line of Credit Agreement may be renewed at the end of the term for another one (1) year period by mutual agreement of the parties hereto in writing. Principal and interest payments shall be due monthly on the first day of each month during the term of this Agreement and the Note. The first payment shall be due on September 1, 2026. Each monthly payment shall equal the greater of (i) one percent (1%) of the outstanding principal balance plus all accrued interest, or (ii) Two Thousand Five Hundred Dollars ($2,500.00).

4. Disbursement of Funds. Disbursement of funds under this Line of Credit shall only be disbursed directly to vendors of inventory and equipment. No disbursement of any funds under this Line of Credit shall be made unless and until the Borrower has satisfied all of the following conditions to the Lender's reasonable satisfaction:

- **a.** The Borrower shall deliver to the Lender original or certified copies of invoices from the vendor(s) for the specific goods to be purchased, which invoices must clearly describe the goods, quantity, unit price, and total cost;
- **b.** The disbursement shall be used solely for the payment of the actual cost of the goods identified on the approved invoices. No funds shall be disbursed for labor, services, taxes, shipping, freight, installation, or any other expenses; and
- **c.** All disbursements shall be made by the Lender directly to the vendor(s) identified on the approved invoices. Under no circumstances shall any funds be disbursed to the Borrower.

The Lender shall have no obligation to make any disbursement unless the Borrower has strictly complied with the requirements of this Section. Any disbursement made in accordance with this Section shall be deemed made solely for the cost of goods and shall not be used for any other purpose.

5. Events of Default. The occurrence of one or more of the following (herein defined as a "Default" or an "Event of Default") shall constitute a default by the Borrower hereunder, and under the Promissory Note (the "Note") in addition to but not limited to any events which would cause a default under the terms and conditions of this Agreement and the Note:

- **a.** Default in the payment or performance of any liability or obligation of Borrower to the Lender or of any covenant or liability contained or referred to herein, in the Note, or in any other note, instrument, document, or agreement evidencing any obligation.

b. The failure of Borrower to perform or to observe any of the provisions of any security agreement or other agreement or document now or hereafter evidencing or creating any security for the payment of the Note.

c. Any representation or warranty of the Borrower in connection with this Line of Credit Agreement or any document executed in accordance herewith, or in pursuance hereof shall be false on the date on which made.

d. The failure by Borrower to pay, when due, any amount due under the Note or the failure by the Borrower to pay, when due, any obligation of Borrower to Lender.

e. If default is made in the payment when due of any installment of principal or of interest on any of Borrower's other indebtedness and if such default remains unremedied for thirty (30) calendar days after written notice thereof.

f. Borrower's insolvency, appointment of a receiver for all or a part of Borrower's property, the making of any assignment by Borrower for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or upon the issuing of any writ of attachment by trustee process or otherwise or a restraining order or injunction affecting any of the Borrower's property; provided, however, that if any such proceeding is commenced against the Borrower, the Borrower shall have thirty (30) calendar days in which to cause such proceeding to be dismissed.

g. The insolvency of any guarantor of this Line of Credit Agreement and/or the Note or of any obligation of any Borrower to the Lender.

h. The death, dissolution, termination of existence, declared insolvency; or failure in business of the Borrower or any guarantor of this Line of Credit Agreement or the Note.

i. The admission in writing of a Borrower's insolvency or inability to pay debts generally as they become due, or upon any deterioration of the financial condition of the Borrower, any endorser or guarantor of this Line of Credit Agreement or the Note, which results in the Lender deeming itself, in good faith, insecure.

j. Thirty (30) calendar days after demand is made pursuant to this Line of Credit Agreement or the Note, unless the Borrower has satisfied the Note in full.

Any such event caused by, or occurring with regard to, any one or more persons constituting the Borrower shall be deemed to be so cause by (or occurring with regard to) the Borrower.

If any Event of Default occurs, all obligations outstanding from the Borrower to the Lender, including obligations pursuant to this Line of Credit Agreement and/or the Note, shall immediately become due and payable without demand, presentment, protest or other notice of any kind, all of which are hereby expressly waived. In the event of such Event of Default, the Lender may proceed to enforce the payment of all obligations of Borrower to Lender and to exercise any and all rights and remedies afforded to Lender by law or under the terms of this Line of Credit Agreement or otherwise.

6. **Notices.** All notices, consents, requests, demands and other communication will be in writing and will be deemed to have been duly given to a party if mailed to the Lender at 400 Ella Street, Beatrice, Nebraska 68310, and to Borrower at 400 Bell Street, Beatrice, Nebraska 68310.

7. **Borrower Reporting.** Borrower agrees to furnish to the Lender quarterly, so long as indebtedness under this Line of Credit Agreement and the Note remains unpaid, a certified financial statement prepared by an independent accountant setting forth in reasonable detail the assets, liabilities, and net worth of the Borrower and certified under oath by an officer of the Borrower. Such financial statements shall be sent to the Lender at its address listed herein and shall be at the sole cost and expense of the Borrower.

8. **Borrower Representations and Warranties.** The Borrower represents and warrants the following:

a. **Duly Organized:** Borrower is: (1) a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nebraska; (2) is in good standing and able to transact business under the laws of the State of Nebraska; and (3) has the power to enter into this Agreement and to borrow.

b. **Duly Authorized:** The making and performance by Borrower of this Line of Credit Agreement, and the execution and delivery of the Promissory Note, and Personal Guarantee, in a form satisfactory to Lender, will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Borrower or result in a breach of or constitute a default under any indenture or bank Line of Credit or credit agreement or any other agreement or instrument to which Borrower is a party or by which it or its property may be bound or affected.

c. **Legally Binding Instruments:** When this Agreement is executed by Borrower and Lender, when the Note, Personal Guarantee, and Deed of Trust are executed and delivered by Borrower, each such instrument will constitute the legal, valid, and binding obligation of Borrower in accordance with its terms. Any security agreements and instruments, deeds of trust, mortgages, and other liens on chattel or real estate will constitute legal, valid and binding liens.

d. **No Legal Suits:** There are no legal actions, suits, or proceedings pending or, to the knowledge of Borrower, threatened against Borrower before any court or administrative agency, which if determined adversely to Borrower, would have a material adverse effect on the financial condition or business of Borrower.

e. **No Legal Authorization Needed:** No authorization, consent or approval, or any formal exemption of any Governmental body, regulatory authorities (federal, state, or local) or mortgagee, creditor or third party, is or was necessary for the valid execution and delivery by Borrower of this Agreement.

f. **Not in Default:** Borrower is not in default of any obligation, covenant, or condition contained in any bond, debenture, note, or other evidence of indebtedness or any mortgage or collateral instrument securing the same.

g. **Taxes Paid:** Borrower has filed all tax returns which are required and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against Borrower or its personal or real property by any taxing agency, federal, state or local. No tax liability has been asserted by the Internal Revenue Service or other taxing agency, federal, state, or local for taxes materially in excess of those already provided for and Borrower knows of no basis for any such deficiency assessment.

h. **No Adverse Change:** Borrower certifies that there has been no adverse or material change since the date of the Line of Credit application in the financial condition, organization, operating, business prospects, fixed properties, or personnel of Borrower.

9. **Conditions of Lending.** The obligation of Lender to make the Line of Credit will be subject to the fulfillment at the time of closing of each of the following conditions:

a. **Execution and Delivery of Note, Line of Credit Agreement, and Personal Guarantee:** Borrower shall execute and deliver to Lender this Line of Credit Agreement, Promissory Note, and Personal Guarantee naming Lender as Beneficiary in a form satisfactory to Lender and its Counsel.

b. **Execution and Delivery of Other Documents:** Borrower will have executed and delivered to Lender any other necessary or required documents.

c. **Execution and Certification of Resolution of Members:** Borrower will have executed and delivered to Lender any other necessary or required documents.

d. **Corporate Papers:** Borrower will have delivered to the Lender copies of the Borrower's Certificate of Organization, Operating Agreement, and Authorizing Resolution.

e. **Governmental Approval:** Borrower will have secured all necessary approvals or consents, if required, of Governmental bodies or agencies having jurisdiction with respect to any construction contemplated in accordance with the use of proceeds of the line of credit.

f. **Approval of Others:** Borrower will have secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in Borrower.

10. Maintain and Insure Property. Borrower agrees at all times to maintain the property provided as security for this Lince of Credit in such condition and repair that Lender's security will be adequately protected. Borrower also agrees to maintain during the term of the Line of Credit adequate hazard insurance policies covering fire and extended coverage and such other hazards as may be deemed appropriate in amounts and form sufficient to prevent Borrower from becoming a co-insurer and issued by companies satisfactory to Lender with an acceptable loss payee clause in favor of Lender.

11. Pay All Taxes. Borrower agrees to duly pay and discharge all taxes, assessments and governmental charges upon it or against its properties prior to the date on which penalties are attached, except that Borrower will not be required to pay any such tax, assessment or governmental charge which is being contested by it in good faith and by appropriate proceedings.

12. Maintain Existence. Borrower agrees to maintain its existence, rights, privilege and franchises within the State of Nebraska and remain qualified as a foreign limited liability company in each jurisdiction in which its present or future operations or its ownership of property require such qualification, including the State of Nebraska.

13. Closing Costs. Borrower agrees to pay all fees, expenses and charges with respect to the Line of Credit, or its making or transfer to the Lender in any way connected including, but not limited to, the fees and out-of-pocket expenses of local counsel employed by Lender, title insurance, and survey costs, recording and filing fees, mortgage taxes, documentary stamp tax and any other taxes, fees and expenses payable in connection with this transaction and with the enforcement of this Agreement and Note.

14. Indemnification. Borrower agrees to indemnify and save Lender and its assigns harmless against any and all liability with respect to, or resulting from, any delay in discharging any obligation of Borrower to this Agreement or the transactions contemplated hereby.

15. Expenses of Collection or Enforcement. Borrower agrees, if at any time Borrower defaults on any provision of this Agreement, to pay to Lender in addition to any other amounts that may be due from Borrower, an amount equal to the costs and expenses of collection, enforcement or correction or waiver of the default incurred by Lender or its successors and assigns in such collection, enforcement, correction or waiver of default.

16. Negative Covenants of Borrower. Borrower covenants and agrees that, from this date until payment in full of the Note, unless Lender or its successors and assigns otherwise consent in writing, it will not enter into any agreement or other commitment the performance of which would constitute a breach of any of the covenants contained in this Agreement including, but not limited to the following covenants:

a. **Encumber the Pledged Assets.** Borrower will neither create nor suffer to exist any new mortgage, pledge, lien, charge or encumbrance, including liens arising from judgments, on the property provided as security for this Line of Credit which is superior to the claims and/or liens of Lender.

b. **Change Ownership.** The principals of Borrower will not permit without the written permission of Lender any material change in the ownership, structure, control, or operation of Borrower including but not limited to (a) merger into or consolidation with any other person, firm or corporation; (b) changing the nature of its business as carried out at the date hereof; and (c) substantial distribution, liquidation or other disposal of Borrower's assets to the stockholders. Should any material change in the ownership, structure, control, or operation of Borrower occur, Lender reserves the right to renegotiate this Agreement, or declare the entire unpaid principal of the Note and the accrued interest immediately due and payable upon written demand of Lender or the Department or their assigns.

17. Right to Inspect. Borrower shall permit Lender, its agents, employees, representatives, and designees (including any auditors or accountants retained by Lender), at all reasonable times and upon reasonable prior notice (which may be verbal), to enter upon Borrower's premises and to inspect, examine, and make copies of Borrower's books, records, accounts, financial statements, tax returns, and other documents relating to the Line of Credit, the use of Line of Credit proceeds, or the collateral. Borrower shall also permit Lender and its representatives to inspect the Borrower's facilities, operations, and any collateral or property related to the Project or the Line of Credit during normal business hours. If an Event of Default has occurred and is continuing, no prior notice shall be required. Borrower shall cooperate fully with Lender in connection with any such inspection or audit and shall provide Lender with reasonable access to all relevant personnel and information. Borrower shall bear the cost of any such inspection or audit if it is conducted after the occurrence of an Event of Default.

18. No Limitation of Rights; Supplement to Other Agreements. This Line of Credit Agreement is supplementary to each and every other agreement between Borrower and Lender and shall not be so construed as to limit or otherwise derogate from any of the rights or remedies of Lender or any of the liabilities, obligations or undertakings of Borrower under any such agreement, nor shall any contemporaneous or subsequent agreement between Borrower and Lender be construed to limit or otherwise derogate from any of the rights or remedies of Lender or any of the liabilities, obligations or undertakings of Borrower hereunder unless such other agreement specifically refers to this Line of Credit Agreement and expressly so provides.

19. Joint and Several Liability. The obligations of the Borrower hereunder shall be joint and several as to each person constituting the Borrower.

20. Amendments. Borrower and Lender and its Assigns reserve all rights to amend any provisions of this Agreement, to consent to or waive any departure from the provisions of this Agreement, to amend or consent to or waive departure from the provisions of the Note and to release or otherwise deal with any collateral security for payment of the Note provided, all such amendments must be in writing and executed by Lender or its Assigns, and Borrower.

21. Survival of Representations and Warranties. All agreements, representations, and warranties made by Borrowers or any other documents or certificate delivered to the Lender in connection with the transactions contemplated by this Agreement will survive the delivery of this Agreement and the Note, and will continue in full force and effect so long as the Note is outstanding.

22. Null and Void Covenants. Borrower agrees that in the event that any provision of this Agreement or any other instrument executed at closing or the application to any person or circumstances will be declared null and void, invalid, or held for any reason to be unenforceable by a Court of competent jurisdiction, the remainder of such agreement will nevertheless remain in full force and effect, and to this end, the provisions, of all covenants, conditions, and agreements described herein are deemed separate.

23. Successors and Assigns. This Agreement shall be binding upon Borrower, its Successors, and Assigns. Borrower may not assign or transfer its rights without prior written consent of Lender.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

25. Governing Law. This Agreement, the Note, and Personal Guarantee will be deemed contracts made under the laws of the State of Nebraska and for all purposes will be construed in accordance with the laws of this State.

26. Articles and Section Headings. Article and Section headings used in the Agreement are for convenience only and will not affect the construction of this Agreement.

27. Effective Agreement. This agreement, together with the Note, Personal Guarantee, application or agreement incorporated herein by reference, comprises the complete and integrated agreement of the parties with regard to the subject matter hereof and supersedes all prior agreements, written or oral, with regard to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have each caused this Line of Credit Agreement to be executed.

Attest

Erin Saathoff, City Clerk

LENDER:
THE CITY OF BEATRICE, NEBRASKA, a Municipal Corporation

By:
Robert Morgan, Mayor

8-17-26
DATE

BORROWER:
Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska

By: Patrick Sedarous
Title: Member

7/16/24
DATE

BORROWER:
Patrick Sedarous, individually

By: Patrick Sedarous

7/16/26
DATE

BORROWER:
Ibrahim Elandaloussi, individually

(SEAL)

Attest:____________________
Secretary

By: Ibrahim Elandaloussi

July 14, 2026
DATE

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me on this 16th day of July, 2026 by Patrick Sedarous, Member and authorized signatory of Newport Bakers, LLC, to be their voluntary act and deed on behalf of said limited liability company.

YESSICA Y. MORALES
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 691044
Expires February 19, 2030

My commission expires: Feb. 19, 2030 Notary Public

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me on this 16th day of July, 2026 by Patrick Sedarous, to be their voluntary act and deed.

YESSICA Y. MORALES
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 691044
Expires February 19, 2030

Notary Public

My commission expires: Feb. 19, 2030

STATE OF California)

) ss.

COUNTY OF Orange)

The foregoing instrument was acknowledged before me on this 14 day of July, 2026 by Ibrahim Elandaloussi, to be their voluntary act and deed.

Notary Public

HAMIDREZA KOLAHIAVAL
Notary Public - California
Orange County
Commission # 2433463
My Comm. Expires Jan 8, 2027

LB840 ECONOMIC DEVELOPMENT LINE OF CREDIT
PROMISSORY NOTE

$250,000.00 Beatrice, Nebraska

For Value Received, the undersigned, Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska, Patrick Sedarous, and Ibrahim Elandaloussi (collectively, the "Borrower"), jointly and severally promises to pay to the City of Beatrice, Nebraska, a Municipal Corporation, (the "Lender"), the principal sum of Two Hundred Fifty Thousand Dollars ($250,000.00), together with interest accruing at the rate of six point seven five percent (6.75%) per annum on the remaining principal balance.

Interest shall begin to accrue immediately upon the drawdown of funds as set forth in the Line of Credit Agreement dated August 17, 2026.

The Borrower shall pay a principal and interest payments to Lender as set forth in the Line of Credit Agreement dated August 17, 2026.

All payments and any notice to the City of Beatrice will be made at 400 Ella Street, Beatrice, Nebraska, 68310, or such other address as designated to the Borrower in writing. Any notice to the Borrower, will be given to the Borrower at the following address: 400 Bell Street, Beatrice, Nebraska, 68310, or at such other address as the Borrower will have designated to the Lender in writing.

This debt may be prepaid in whole or in part at any time, without penalty or fee.

This Note is to be secured by a Line of Credit Agreement, attached hereto and marked as Exhibit "A", and a Personal Guaranty to be executed and delivered by the Borrower to the Lender and subject to any additional terms therein.

It is agreed that if there is a default in the payment of this Note after written notice thereof to Borrower or if default is made under the terms of the Line of Credit Agreement, then, at the option of the Lender, the principal sum, with accrued interest, shall become immediately due and payable.

It is further understood and agreed that, in the event of sale or a material change in the ownership of the Borrower, then this Note shall immediately become due and payable.

The undersigned:

(a) Waives demand, presentment, protest, notice of protest, suit against any party and all other requirements necessary to hold it;

(b) Agrees to pay after default all costs of collecting or attempting to collect this note, including reasonable attorneys' fees; and

(c) Waives as to this debt or any renewal or extension, or of any part, all rights of exemption under the constitution or laws of the State of Nebraska or any other state as to personal property.

This Note and all provisions are binding on the Borrower, its successors and assigns, and will inure to the benefit of the Lender, its successors and assigns. The Lender does not by any act, delay, omission or otherwise waive any of its rights or remedies, and no waiver of any kind is valid against the Lender unless in writing and signed by the Lender.

This note is governed and construed in accordance with the laws of the State of Nebraska.

The principal amount hereof results from a LB840 Line of Credit made to Borrower pursuant to a Line of Credit Agreement, dated ~~July 14~~, 2026, among the Lender and Borrower.
August 17, 2026 es

Dated and executed on this ~~14~~ day of ~~July~~, 2026.
16th August es

Attest

Erin Saathoff, City Clerk

LENDER:
THE CITY OF BEATRICE, NEBRASKA, a Municipal Corporation

By:
Robert Morgan, Mayor

8-17-26
DATE

BORROWER:
Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska

By: Patrick Sedarous
Title: Member

7/14/26
DATE

BORROWER:
Patrick Sedarous, individually

By: Patrick Sedarous

DATE 7/14/26

Ibrahim Elandaloussi, individually

(SEAL)

Attest:
Secretary

By: Ibrahim Elandaloussi

July 14, 2026
DATE

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me on this 16th day of July, 2026 by Patrick Sedarous, Member and authorized signatory of Newport Bakers, LLC, to be their voluntary act and deed on behalf of said limited liability company.

YESSICA Y. MORALES
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 691044
Expires February 19, 2030

Yessica Morales
Notary Public

My commission expires: Feb 19, 2030

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me on this 16th day of July, 2026 by Patrick Sedarous, to be their voluntary act and deed.

YESSICA Y. MORALES
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 691044
Expires February 19, 2030

Yessica Morales
Notary Public

My commission expires: Feb. 19, 2030

STATE OF California)
) ss.
COUNTY OF orange)

The foregoing instrument was acknowledged before me on this 14 day of july, 2026 by Ibrahim Elandaloussi, to be their voluntary act and deed.

Notary Public

HAMIDREZA KOLAHIAVAL
Notary Public - California
Orange County
Commission # 2433463
My Comm. Expires Jan 8, 2027

PERSONAL GUARANTY
PATRICK SEDAROUS AND IBRAHIM ELANDALOUSSI
LB840 ECONOMIC DEVELOPMENT LINE OF CREDIT

In order to induce the City of Beatrice, Nebraska, a municipal corporation (the "Lender") to make a Line of Credit to Patrick Sedarous and Ibrahim Elandaloussi (together, the "Borrower"), the undersigned jointly and severally guarantee unconditionally to Lender, its successors and assigns, the punctual payment of any and all sums when due, whether by acceleration or otherwise, in accordance with the terms of the promissory note of the Borrower to the Lender, dated August 17, 2026, in the principal amount of Two Hundred Fifty Thousand Dollars ($250,000.00) with interest including any extension or renewal or modification (the "Note"). The Note, interest and all other sums payable are collectively called "Liabilities". This Personal Guaranty pertains only to the Note. The principal amount loaned under the Note shall not be increased above Two Hundred Fifty Thousand Dollars ($250,000.00). In case of the default of Borrower according to the terms of the Note, the undersigned, jointly and severally, agree to pay to Lender, immediately upon the written demand of the Lender, the amount due and unpaid by the Borrower as if the amount constituted the direct and primary obligation of the undersigned. Lender will not be required, prior to any such demand on, or payment by, the undersigned, to make any demand upon or pursue or exhaust any of its rights and remedies against the Borrower or others with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies with respect to any part of the collateral. The undersigned will have no right of subrogation whatsoever with respect to the Liabilities or the collateral unless and until Lender will have received full payment of all Liabilities.

The obligations of the undersigned and the rights of the Lender in the collateral will not be released, discharged or in any way affected, nor will the undersigned have any rights against the Lender by reason of the fact that any of the collateral may be in default at the time of acceptance thereof by Lender or later; nor by reason of the fact that a valid lien in any of the collateral may not be conveyed to, or created in favor of, Lender; nor by reason of the fact that any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that Liabilities may be invalid for any reason whatsoever; nor by reason of the fact that the value of any of the collateral, or the financial condition of the Borrower or of any obligor under or guarantor of any of the collateral, may not have been correctly estimated or may have changed or may change; nor by reason of any deterioration, waste, or loss by fire, theft or otherwise of any of the collateral.

This guaranty shall also bind the heirs, personal representatives, successors and assigns of the undersigned and shall inure to the Lender, its successors and assigns. And to secure the payment of this guaranty, the undersigned jointly and severally hereby authorize irrevocably any attorney of any Court of Record to appear for the undersigned at any time hereafter, and confess a judgment, without process, in favor of the Lender or assigns, for such amount as may appear to be unpaid hereunder, together with interests and costs, and reasonable attorney's fees, and to waive and release all errors which may intervene in any such proceedings, and to consent to immediate execution upon said judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof.

Dated effective July 14, 2026.

Patrick Sedarous

Ibrahim Elandaloussi

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me on this 16th day of July, 2026 by Patrick Sedarous, to be their voluntary act and deed.

YESSICA Y. MORALES
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 691044
Expires February 19, 2030

My commission expires: Feb. 19, 2030

Yessica Morales
Notary Public

STATE OF California)
) ss.
COUNTY OF Orange)

The foregoing instrument was acknowledged before me on this 14 day of july, 2026 by Ibrahim Elandaloussi, to be their voluntary act and deed.

Notary Public

HAMIDREZA KOLAHIAVAL
Notary Public - California
Orange County
Commission # 2433463
My Comm. Expires Jan 8, 2027