

RESOLUTION NUMBER 7865

WHEREAS, Strategic Spaces, LLC, a Nebraska limited liability company, and Kirnan Koenig, a single person (jointly and severally, "Borrower") has agreed to assume all obligations set forth in the Assumption Agreement dated May 4, 2026, Assumption of Promissory Note dated May 4, 2026, and Assumption of Personal Guaranty dated May 4, 2026 for a loan through the Beatrice Downtown Revitalization Improvement Program through a Community Development Block Grant from the Nebraska Department of Economic Development, Grant 21-DTR-004; and

WHEREAS, to secure said loan, Strategic Spaces, LLC has agreed to file a Deed of Trust encumbering real estate legally described as follows:

The South 103.56 feet of Lots Eleven (11) and Twelve (12), Block Sixty-Four (64), Original Town of Beatrice, Gage County, Nebraska, commonly known as 117 South 5th Street (the "Property"); and

WHEREAS, Borrower has applied for and has been approved by Farmers and Merchants Bank of Ashland for a loan in the amount of Four Hundred Twenty-Eight Thousand Dollars (\$428,000.00); and

WHEREAS, Farmers and Merchants Bank of Ashland has requested that the City subordinate the City's security interests to the Farmers and Merchants Bank of Ashland Loan; and

WHEREAS, the Mayor and City Council desire to execute a Subordination Agreement to subordinate its security interests to the Farmers and Merchants Bank of Ashland Loan.

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

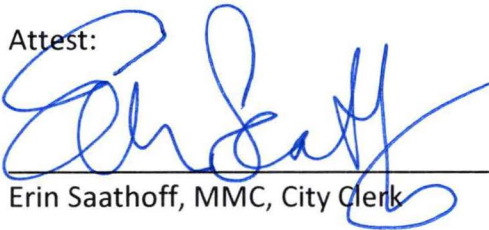
SECTION 1. That the Mayor and the City Clerk be authorized to execute a Subordination

Agreement, attached hereto as Exhibit "A", and incorporated by this reference, to subordinate the security interests of the City to the Farmers and Merchants Bank of Ashland Loan, and to execute all documents in accordance with the provisions of the same as outlined herein.

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 That all resolutions or parts of resolutions in conflict herewith are hereby repealed.

RESOLUTION PASSED AND ADOPTED this 5th day of October, 2026.

Attest:


Erin Saathoff, MMC, City Clerk


Michael McLain, Mayor

Space Above Reserved for Recording Information

Return To:
Farmers and Merchants Bank of Ashland
P O Box 217, 1501 Silver St
Ashland, NE 68003

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, City of Beatrice, Nebraska, Beneficiary, a Municipal Corporation, for valuable consideration paid by Strategic Spaces, LLC, a Nebraska Limited Liability Company, does hereby subordinate the Deed of Trust executed by Strategic Spaces, LLC, a Nebraska Limited Liability Company, in the amount of \$10,000.00 and filed as Instrument Number _____ or in Book Number _____ on Page Number _____ on October, 2026, in the Office of the Register of Deeds of GAGE County, NE, and does hereby declare the Deed of Trust to be subject to junior and inferior, to the Deed of Trust lien of Farmers and Merchants Bank of Ashland being the Deed of Trust executed by Strategic Spaces, LLC, a Nebraska Limited Liability Company, in the amount of \$428,000 and filed as Instrument Number _____ or in Book Number _____ on Page Number _____ on October, 2026 in the Office of the Register of Deeds of GAGE County, NE.

And the undersigned, City of Beatrice, Nebraska, Beneficiary, a Municipal Corporation, does hereby acknowledge and declare that any lien which it may have or claim upon the real estate described as:

The South 103.56 feet of Lots Eleven (11) and Twelve (12), Block Sixty-Four (64), Original Town of Beatrice, Gage County, Nebraska commonly known as 117-123 South 5th Street, Beatrice NE 68310

under the virtue of said Deed of Trust recorded in the Office of the Register of Deeds of Gage County, NE, as Instrument Number _____ or in Book Number _____ on Page Number _____ shall be and remain at all times subject, junior and inferior in lien to the lien of Farmers and Merchants Bank of Ashland which said deed of trust of Farmers and Merchants Bank of Ashland shall be at all times prior, superior and paramount in lien upon the above described real estate over any lien or claim of the lien of the undersigned. It is the intent of City of Beatrice, Nebraska, to subordinate its lien only to the parcel set forth and only in the amount above, but is not as to any other property described in mortgage or deed of trust Instrument Number _____ or in Book Number _____ on Page Number _____. Any further or additional advances made by Strategic Space, LLC, pursuant to its deed of trust, should it be of an open end nature, on said real estate shall be subject and inferior to the said deed of trust of Farmers and Merchants Bank of Ashland.

IN WITNESS WHEREOF, the undersigned Michael McLain, Mayor of City of Beatrice Nebraska, has caused these presents to be duly executed by duly authorized officers and its Corporate Seal to be hereunto affixed this 5th day of October, 2026.

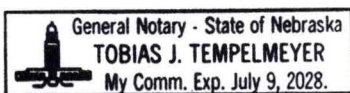
STATE OF NEBRASKA)
) SS
COUNTY OF GAGE)

City of Beatrice Nebraska

By Michael McLain
By: Michael McLain, Mayor

On this 5th day of October, 2026 before the undersigned Notary Public in and for said County and State, personally came Michael McLain to me personally known to be the Mayor of The City of Beatrice Nebraska and the identical person who signed and executed the foregoing instrument on its behalf; and he acknowledged the execution of the foregoing instrument to be his voluntary act and deed and to be the voluntary act and deed of said Michael McLain, Mayor of City of Beatrice Nebraska and that its Corporate Seal was thereunto affixed by lawful authority.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal the day and year last above written.



[Signature]
Notary Public

My commission expires July 9, 2028