RESOLUTION NUMBER 7834

WHEREAS, the City of Beatrice, Nebraska ("City"), has been actively involved in economic development in order to improve the economic well-being of its citizens as well as that of the community as a whole; and

WHEREAS, the Beatrice Board of Public Works was awarded Three Hundred Thousand Dollars ($300,000) from the Rural Economic Development Grant to establish a revolving loan fund; and

WHEREAS, on or about March 21, 2022, the City of Beatrice adopted the Revolving Loan Fund Plan for said grant and established a revolving loan fund; and

WHEREAS, Newport Bakers, LLC, a California limited liability company, registered in the State of Nebraska has requested a loan in the amount of Two Hundred Fifty Thousand Dollars ($250,000.00) for the purchase of 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 City Clerk are authorized to sign the Rural Economic Development Loan Agreement, Promissory Note, Deed of Trust, Deed of Trust and any and all other contracts, documents, or other memoranda necessary between the City of Beatrice and Newport Bakers, LLC to issue said loan totaling Two Hundred Fifty Thousand Dollars ($250,000.00), from funds derived from the Rural Economic Development Revolving Loan fund, 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 3. That the Revolving Loan Fund Plan, marked as Exhibit "A", attached hereto and incorporated herein by this reference, be and hereby are adopted.

SECTION 4. That all resolutions or parts of resolutions in conflict herewith are hereby repealed.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

RURAL ECONOMIC DEVELOPMENT LOAN AGREEMENT

This Agreement dated the 17th day of August, 2026, 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 Board of Public Works, Nebraska, a Municipal corporation ("Lender") sets forth the terms and understandings between the Borrower and Lender regarding a loan (the "Loan") the Lender is making to the Borrower pursuant to Section 313 of the Rural Electrification Act of 1936, as amended ("Act") and 7 CFR part 4280, Subpart A – Rural Economic Development Loan and Grant Programs ("Regulations").

The Lender, on behalf of Borrower, has filed an application and supporting material (collectively, the "Application Materials") with United States of America ("Government") requesting the Loan for promoting rural economic development.

Lender wishes to make the Loan to the Borrower with proceeds of a grant from the Government to finance Approved Purposes for the rural development project ("Project") as described and defined in the Letter of Conditions between the Government and the Lender dated **June 10, 2022**.

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

A. <u>Loan Terms</u>

1. Lender shall lend Two Hundred Fifty Thousand Dollars ($250,000.00) to the Borrower to be used solely to promote rural economic development as more particularly described in the Application Materials, as those materials may have been modified by the Letter of Conditions. Borrower shall be obligated to pay an administrative fee equal to one percent (1%) per annum on the outstanding balance including interest, during the term of the loan. This fee will be payable quarterly with the loan payment, and Lender will prepare an amortization schedule. The term of the loan will be five (5) years, with nineteen (19) equal quarterly payments of Fourteen Thousand Seven Hundred Sixty-Two Dollars and Fifty-Eight Cents ($14,762.58) commencing September 1, 2026, and one final installment on or before June 1, 2031, of Twenty-Three Thousand Three Hundred Forty-Three Dollars and Eighty Cents ($23,343.80) inclusive of the administrative fee (the "Loan").

2. The loan will be continuously secured by Promissory Note and UCC Financing Statement to the Lender.

3. Lender shall advance the proceeds of the Loan to the Borrower upon execution of all necessary documents, subject to submission by Borrower to Lender of evidence that the project is proceeding and expenditure of funds in the amount of the requested advance.

4. The Borrower shall repay the Loan in accordance with the note (as hereinafter defined) to be executed by the Borrower and made payable to Lender, with the first payment coming due on the first (1^{st}) business day of each quarter (January, April, July, and October). The Borrower shall begin to repay the Loan on the date set forth in the Note and shall continue paying without interruption until all indebtedness associated with the Loan has been repaid in full on or before the final maturity date of the Note.

5. The Loan will bear an interest rate of six point seven five percent (6.75%).

6. If the Borrower fails to satisfy all conditions, requirements, and terms prerequisite to the advance of the proceeds of the Loan from the Lender as set forth in this agreement on or before October 1, 2026, or such later date as the Lender and Government may approve in writing in furtherance of the purposes of the Act, the Loan committee shall be considered rescinded.

7. The Borrower will be responsible to reimburse Lender for its costs and expenses related to this transaction, and to obtain and pay for any and all appraisals, surveys, inspections, reports, title insurance, bank fees, etc. related to the Project as may be required for Lender to meet its obligations to the Government.

B. Conditions. The obligation of Lender under this Agreement to consummate this transaction is subject to the following conditions:

1. Review and approval of all Loan documents by the Administrator of the Lender or its representative;

2. Receipt by Lender of legal opinion from Borrower's Legal Counsel in a form and content satisfactory to Lender's Counsel;

3. Receipt by Lender of certified resolutions of Borrower's Board of Directors that approves the Loan and this transaction and authorizes an officer of the Borrower to execute all documents and to request in writing the advance of the Loan, and a certificate of authority in a form reasonably requested by Lender;

4. Receipt by Lender of the security instrument/collateral referenced in Section 1 hereof; and

5. Receipt of evidence satisfactory to the Lender that the Borrower has obtained or received binding commitments for supplemental financing of at least Fifty

Thousand Dollars ($50,000.00) that is needed, in addition to the Loan proceeds, to ensure completion of the Project.

C. Affirmative Covenants. Borrower agrees as follows:

1. Borrower shall execute and deliver its promissory note (the "Note") to the Lender in the form attached hereto as Exhibit "A" and incorporated herein by this reference in order to evidence its obligation to repay the Loan by the terms of this Agreement, the Letter of Conditions, and the Note. The Borrower shall pay all indebtedness evidenced by the Note in the manner and at the times described herein and therein.

2. Borrower shall execute and deliver its UCC Financing Statement to the Lender in the form attached hereto as Exhibit "B" and incorporated herein by this reference.

3. Borrower shall execute and deliver its Deed of Trust to Lender in the form attached hereto as Exhibit "C" and incorporated herein by this reference.

4. Borrower shall execute and deliver its Personal Guaranty to Lender in the form attached hereto as Exhibit "D" and incorporated herein by this reference.

5. Borrower shall provide to the Government and Lender, upon completion of the Project, a management representation letter certifying to the statements in Exhibit "E" of this Agreement.

6. Borrower must comply with, and provide certification with respect to, federal law related to debarment and suspension and deliver to Lender a duly executed copy of a certification form substantially similar to that attached to this Agreement as Exhibit "F", with respect to the Borrower and any lower tier subsidiaries of the Borrower.

7. Borrower shall promptly use the proceeds of the Loan only in the manner and exclusively for the purposes set forth in the Application Materials as previously approved by the Government and in accordance with Letter of Conditions, this Agreement, and the Regulations (as they may be amended from time to time). No changes may be made in the foregoing without the prior written approval of the Government. Until disbursed by the Borrower for authorized Loan purposes, the Borrower shall deposit the Loan proceeds in a separate bank account which is fully insured by the Federal Deposit Insurance Corporation (FDIC).

8. Borrower shall deliver to Lender, and shall maintain a copy at its premises, a certified list of expenditures and attachments as described in this section for

review by Lender and Government representatives, auditors or others conduction a review or audit for the Borrower and the expenditure of the proceeds of the Loan. The Borrower shall also submit a duplicate certified list of expenditures and attachments as described in this section to the Government for its files.

a. Borrower shall provide an itemized list to the Lender, with attached invoices, receipts, bills of sale, and other evidence representing the items shown on the list that shows the expenditures made on the Project for Approved Purposes using the proceeds of the Loan, with a signed certification from an authorized officer of the Borrower to the effect "I certify that the proceeds of the rural economic development loan from City of Beatrice Board of Public Works were expended on approved purposes as shown on this list and the attached invoices, receipts, bills of sale, and other evidence represent items shown on the list."

b. Invoices, receipts, bills of sale, and other evidence must at least total the amount of funds that have been provided to the Borrower using the proceeds of the Loan; the certified list must be provided upon completion of the Project or within one (1) year of the date of the first advance of funds to the borrower, whichever occurs first. If all funds have not been expended by the first advance of funds, the Borrower must provide the Lender a certified list of current expenditures and a projected schedule of the expenditures to be incurred in the upcoming year. Upon completion of the Project, the Borrower must provide the Lender with a final certified list of the expenditures including the attachments.

c. Borrower shall expend the Loan funds within two (2) years of the date of the first advance of funds to the Borrower, or by such later date as the Government may approve in writing in furtherance of the purposes of the Act. The Borrower shall return to the Lender all funds it provided from the proceeds of the Loan that have not been expended by the second anniversary of the date of the advance of funds to the borrower, or by such later date as the Government has approved, as a prepayment on the Note.

9. Borrower shall submit a duplicate certified listing of the expenditures and attachments to the Government for its files. The Borrower shall permit Lender and its agents to inspect and copy its records about the Project during regular business hours and shall permit Representatives of the Government to inspect the Project itself during regular business hours.

10. Borrower shall permit Lender to monitor performance to ensure that objectives proposed in the Application Materials are being achieved. Beginning one (1) year from the date of advance of Loan proceeds to the Borrower and concluding three (3) years from the date of advance or upon completion of the Project as proposed in the Application Materials, whichever date occurs later, the Borrower shall submit a project performance report to the Lender on an annual basis. The Project performance report shall describe: (i) the actual accomplishments of the Project, setting forth the number and types of jobs created and retained; (ii) the impact of the Project on the economy and quality of life of the rural community; (iii) reasons why any projections or objectives as proposed in the Application Materials were not met, and (iv) any problems, delays, or adverse conditions which have occurred, or are anticipated, which may affect the attainment of overall objectives of the Project. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the delays, problems or adverse conditions. Upon completion of the Project or three (3) years from the date of advance, whichever occurs later, the Borrower shall provide a final written performance report, accompanied by color photographs, including negatives or slides, documenting the overall accomplishments of the Project.

11. Borrower shall immediately notify the Lender in writing of the closure of operations of the Borrower, the transfer of operations by the Borrower from the original project site described in the Application Materials, or the institution of bankruptcy proceedings involving the Borrower.

12. Borrower shall comply with the Regulations, as they may be amended from time to time, including, without limitation, any Federal regulations or Federal statutes which the Regulations identify as being applicable to activities contemplated by the Application Materials or this Agreement.

13. This Loan is subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975; as amended; and Executive order 11246, Equal Employment Opportunity, as amended by Executive order 11375, Amending Executive Order 11246, Relating to Equal Employment Opportunity. Borrower shall comply with all such requirements in addition to the specific requirements set forth in the Regulations.

14. All facilities of the Project that are open to the public or in which physically handicapped persons may be employed shall be designed, constructed, and/or altered to be readily accessible to, and usable by handicapped persons, and comply with all applicable federal, state, and local laws and regulations.

15. If the Project is in an area subject to flooding, flood insurance must be provided by the Borrower to the extent available and required by law, covering all buildings, machinery, equipment, fixtures and furnishings contained in the buildings.

16. Borrower must certify that it will establish and make a good faith effort to maintain a drug-free workplace program in accordance with federal and state law and regulations.

17. Borrower shall comply with all federal law and regulations related to restrictions on lobbying and file a certifications statement regarding the use of federal appropriated funds to lobby the Executive and Legislative branches of the Government, and to file a disclosure form if engaged in these activities using unappropriated funds.

D. Negative Covenant

Borrower shall not enter into or request Lender to approve any agreements which would permit third parties to fund, develop, manage, own, lease or operate the Project in a manner that would violate the Regulations, this Agreement, or the Letter of Conditions if the Borrower were to undertake such activity in its own name.

E. Representations and Warranties

Borrower represents and warrants that on and as of the date first set forth above:

1. Borrower has been duly incorporated and validly existing as a corporation in good standing under the laws of the State of Nebraska with the corporate power and authority to perform its obligations under this Agreement, the Letter of Conditions, the Note, and the Regulations.

2. This Agreement, the Letter of Conditions and the Note have been duly authorized, executed and delivered by the Borrower and such documents constitute the legal and binding agreements of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to: (i) applicable bankruptcy, reorganization, insolvency, moratorium and other laws of general application relating to or affecting creditors' rights generally, and: (ii) the application of general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.

3. The execution or the delivery by the Borrower of this Agreement, the Letter of Conditions, and the Note; the consummation of the transactions contemplated herein or therein; and the fulfillment by the Borrower of the terms hereof or thereof, do not conflict with or violate, result in a breach of or constitute a default under any term or provision of the articles of

incorporation or by-laws of the Borrower or any law or regulation or any order now applicable to the Borrower of any court, regulatory body having jurisdiction over the Borrower, or the terms of any indenture, deed of trust, mortgage, note, note agreement or instrument to which the Borrower or any of its properties is bound. The Borrower has not received any notice from any other party to any of the foregoing that a default has occurred or that any event or condition exists that with the giving of notice or lapse of time or both would constitute such a default.

4. No approval, authorization, consent, order, registration, filing, qualification, license or permit of or with any state or Federal court or governmental agency or body having jurisdiction over the Borrower is required by the Borrower for the consummation by the Borrower of the transactions contemplated by this Agreement, the Letter of Conditions, and the Note except such as have been obtained.

5. There is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator concerning the Borrower, this Agreement, the Letter of Conditions, or the Note which, if adversely determined, would have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement, the Letter of Conditions, or the Note.

6. All information, reports and other papers and data furnished to the Lender by the Borrower concerning the application of the Loan were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to the Lender and the Government a true and accurate knowledge of the subject matter and no document furnished or other written statement made to the Lender in connection with the Loan contains any untrue statement of a fact material to the financial condition of the Borrower or the Project or omits to state such a material fact necessary in order to make the statements contained therein not misleading.

7. Borrower has reviewed the Regulations and understands and accepts the requirements which the Regulations impose upon it.

8. Borrower does not expect or intend the Project to result primarily in the transfer of any existing employment or business activity from one area to another.

F. Default.

1. Upon the occurrence of an event of default as defined in this Agreement, the holder of the Note may declare all or any portion of the indebtedness arising under this Agreement, including indebtedness evidenced by the Note, to be

immediately due and payable and may proceed to enforce its rights under this Agreement, the Letter of Conditions, and the Note.

2. As use in this Agreement, the term "event of default" shall mean the occurrence of any of the following:
   a. Any installment is not paid within five (5) calendar days of the date which it is required to be made, whether by acceleration or otherwise;

   b. Failure, inability or unwillingness of the Borrower to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the Application Materials as approved by the Lender or the Government in the Letter of Conditions;

   c. Any representation or warranty made by the Borrower herein, in the Application Materials, in the Letter of Conditions or in any certificate or report furnished by or on behalf of the Borrower about any of the foregoing shall prove to be false, incomplete or incorrect in any material respect;

   d. Default shall be made in the due observance or performance of any of the covenants, conditions or agreements of the Borrower, and such default shall continue for thirty (30) calendar days after written notice specifying such default and requiring the same to be remedied shall have been given to the Borrower by the holder of the Note;

   e. 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. Commencement of a case in bankruptcy by or against the Borrower;

   g. Application for appointment of a receiver for, making a general assignment for the benefits or creditors by, or insolvency of the Borrower, or;

   h. Violation of the Regulations in any material respect, by officers, directors, employees or agents of the Borrower, and such violation shall continue for a period of thirty (30) calendar days without being rectified to the satisfaction of the Lender or the Government after written notice specifying such default and requiring the same to be rectified has been given by the Lender to the Borrower.

G. <u>Miscellaneous</u>

1. Every right or remedy herein conferred upon or reserved to the holder of the Note shall be cumulative and shall be in addition to every other right and remedy now or hereafter existing at law or in equity, or by statute or regulation.

2. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Agreement shall not affect the remaining portions hereof.
3. This Agreement may be amended only in a written instrument executed by both Borrower and Lender, which amendment has been submitted in advance to the review and approval by the Government and approved in advance by the Government.

4. This Agreement is entered into between the parties concerning a zero-interest loan which the Government is making to the Lender pursuant to § 313 of the Rural Electrification Act of 1936, as amended, to promote rural economic development and job creation projects. Accordingly, so long as Lender shall, under the terms of this Agreement, be the holder of the Note, this Agreement, the Letter of Conditions and the Note shall each be governed by and construed in accordance with the laws of the United States and the regulations that govern § 313 of the Rural Electrification Act of 1936, as amended.

DISCLAIMER OF ORAL AGREEMENTS: NOTICE TO BORROWER

A credit agreement must be in writing to be enforceable under Nebraska law. To protect Borrower and the Lender from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

IN WITNESS WHEREOF, Newport Bakers, LLC, Patrick Sedarous, and Ibrahim Elandaloussi, collectively as Borrower, has caused this Loan Agreement to be signed in its name and its corporate seal to be hereunto affixed and attested by its duly authorized officers thereunto, and Lender has caused this Loan Agreement to be duly executed in its behalf, all as of the day and year first written above.

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

By: Patrick Sedarous
Title: Member

(SEAL)

Attest:______________________
Secretary

Patrick Sedarous, individually, Borrower

By: Patrick Sedarous

Ibrahim Elandaloussi, individually, Borrower

By: Ibrahim Elandaloussi

City of Beatrice, Nebraska, a Nebraska Municipal Corporation, Lender

By: Robert Morgan, Mayor
Lender Representative

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

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 5, 2027

SCHEDULE OF EXHIBITS

Exhibit A:	Promissory Note
Exhibit B:	UCC Financing Statement
Exhibit C:	Deed of Trust
Exhibit D:	Personal Guaranty
Exhibit E:	Management Representation Letter
Exhibit F:	AD 1048 – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction

Exhibit "A"

RURAL ECONOMIC DEVELOPMENT LOAN
PROMISSORY NOTE

Loan Amount: $250,000 Date: August 17, 2026

For value received, Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska ("Borrower"), promises to pay to the order of the City of Beatrice Board of Public Works a Nebraska Municipal Corporation ("Lender"), at the times and in the manner hereinafter provided, the sum of Two Hundred Fifty Thousand Dollars ($250,000.00) without interest, in quarterly installments of Fourteen Thousand Seven Hundred Sixty-Two Dollars and Fifty-Eight Cents ($14,762.58) on the first (1^{st}) business day of the quarter beginning September 1, 2026 and continuing on the first day of each quarter (September, December, March, June) thereafter until the principal sum stated above has been paid in full or the fifth anniversary of the date first written above whichever first occurs. Borrower shall have the right to prepay the obligation set forth in this note in whole or in part at any time after the one (1) year anniversary of the loan agreement without penalty; provided, however, that in the event of a partial prepayment, the Borrower shall be obligated to continue making regular and uninterrupted quarterly payments for the amount and on the quarterly payment date specified in this note so long as any portion of the loan remains unpaid.

This Note is given in accordance with, and is required by, the terms and conditions of a certain Rural Economic Development Loan Agreement between Lender and Borrower dated as of ____________ _____, 2026 (the "Loan Agreement), and evidences indebtedness created by a grant made by to Lender from the Government pursuant to Section 313 of the Rural Electrification Act of 1936, as amended, for the purpose of promoting rural economic development and job creation projects. Accordingly, this Note shall be governed by and construed in accordance with the laws of the United States and the regulations that govern Section 313 of the Rural Electrification Act of 1936, as amended. All capitalized terms which are not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

Demand, presentment, protest, notice of protest, and notice of dishonor are hereby waived.

The Borrower shall pay a penalty on any payment not made within five (5) calendar days of the date it becomes due as originally scheduled or otherwise. The penalty shall be computed on the payment from the due date at a rate equal to the rate of the current value of funds to the United States Treasury as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly, as the case may be, in accordance with 31 U.S.C. Section 3717(e)(2), not to exceed six percent (6.0%) a year on the amount due on a debt that is delinquent for more than ninety (90) calendar days. This charge shall accrue from the date of delinquency.

Amounts received on account of indebtedness evidenced by this note shall be applied as follows: first to expenses, costs and penalties; second to interest payments which are past due; third to principal that is past due; and fourth to principal installments not yet due.

Upon the occurrence of an event of default as defined below, the holder of this note may declare all or any portion of the note to be immediately due and payable. An "event of default" means:

1.) Any installment is not paid within five (5) calendar days of the date which it is required to be made;

2.) Failure, inability or unwillingness of the Borrower to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the Application Materials approved by the holder of this Note or the Government in the Letter of Conditions;

3.) Any representation or warranty made by the Borrower herein, in the Application Materials, in the Letter of Conditions, Loan Agreement, or in any certificate or report furnished by or on behalf of the Borrower about any of the foregoing that proves to be false, incomplete or incorrect in any material respect;

4) Default in the observance or performance of any of the covenants, conditions or agreements of the Borrower or the Regulations that govern this loan that continues for thirty (30) calendar days after written notice of the default has been given to the Borrower by or on behalf of the holder of the Note;

5.) Default shall be made in the due observance or performance of any of the covenants, conditions or agreements of the Borrower, and such default shall continue for thirty (30) calendar days after written notice specifying such default and requiring the same to be remedied shall have been given to the Borrower by the holder of the Note;

6.) Commencement of a case in bankruptcy by or against the Borrower;

7.) Application for appointment of a receiver for, making a general assignment for the benefit of creditors by, or insolvency of the Borrower; or

8.) Violation of the Regulations in any material respect, by officers, directors, employees or agents of the Borrower, and such violation shall continue for a period of thirty (30 calendar days without being rectified to the satisfaction of Lender or the Government after written notice specifying such default and requiring the same to be rectified has been given by Lender to the Borrower.

DISCLAIMER OF ORAL AGREEMENTS: NOTICE TO BORROWER

A credit agreement must be in writing to be enforceable under Nebraska law. To protect Borrower and the Lender from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

IN WITNESS WHEREOF the Borrower has caused this note to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the day and year first above written.

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

____
By: Patrick Sedarous
Title: Member

(SEAL)

Attest:________________________
Secretary

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

____
Notary Public

My commission expires: Feb. 19, 2030

MANAGEMENT REPRESENTATION LETTER

July 16, 2026
City of Beatrice Board of Public Works
400 Ella Street
Beatrice, NE 68310

RE: Rural Economic Development Loan

To Whom it May Concern:

The undersigned, on behalf of Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska (the "Borrower"), hereby certifies to the City of Beatrice Board of Public Works (the "Lender") and the United States of America (the "Government") as follows:

1. The Project has been completed substantially in accordance with the Application Materials, the Letter of Conditions dated June 10, 2022, the Rural Economic Development Loan Agreement, and all applicable Regulations.

2. All proceeds of the Loan have been expended only for Approved Purposes as defined in the Application Materials and the Letter of Conditions. No Loan proceeds have been used for any other purpose.

3. The Borrower has complied with all terms, conditions, and covenants contained in the Loan Agreement, the Promissory Note, the Letter of Conditions, and all applicable federal regulations, including 7 CFR Part 4280, Subpart A.

4. The financial and other information submitted to the Lender and the Government in connection with the Loan, including all reports of expenditures, is true, correct, and complete in all material respects.

5. There are no material adverse changes in the financial condition of the Borrower or the status of the Project since the date of the Loan Agreement that have not been disclosed in writing to the Lender and the Government.

6. The Borrower has obtained and maintained all necessary permits, approvals, and authorizations required for the construction and operation of the Project.

7. No event of default exists under the Loan Agreement, and no event has occurred that, with the giving of notice or passage of time, or both, would constitute an event of default.

8. The Borrower is not in violation of any federal, state, or local law, regulation, or ordinance that could have a material adverse effect on the Project or the Borrower's ability to repay the Loan.

9. All representations and warranties made by the Borrower in the Loan Agreement remain true and correct as of the date of this letter.

The Borrower acknowledges that the Lender and the Government will rely on the truth and accuracy of the statements contained in this letter.

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

Date: 7/16/26

By: Patrick Sedarous
Title: Member

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

Notary Public

My commission expires: Feb. 19, 2030

Exhibit "B"

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
City of Beatrice, Nebraska - Board of Public Works

B. E-MAIL CONTACT AT SUBMITTER (optional)
trivera@beatrice.ne.gov

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Taylor Rivera
City Attorney
400 Ella Street
Beatrice. NE 68310

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Print Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
Newport Bakers LLC

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**
200 S 21ST ST, STE 400A	Lincoln	NE	68510	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
City of Beatrice, Nebraska - Board of Public Works

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**
400 Ella Street	Beatrice	NE	68310	USA

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Exhibit "C"

Space Above Reserved for Recording Information

Return to:
Taylor Rivera
City of Beatrice
400 Ella Street
Beatrice, NE 68310

DEED OF TRUST

THIS DEED OF TRUST is made on this 17th day of August, 2026.

The Trustor is Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska, LLC, a Nebraska limited liability company, herein the Borrower.

The Trustee is Taylor Rivera, an Attorney licensed to practice law in the State of Nebraska.

The Beneficiary is City of Beatrice, Nebraska, a Municipal Corporation, a/k/a Lender.

Beneficiary's address is 400 Ella Street, Beatrice, Nebraska 68310.

Borrower irrevocably conveys to Trustee, with power of sale, the following:

> Lots One (1), Two (2), Three (3), Four (4), Five (5), Seven (7), Eight (8), Nine (9), Ten (10), and Eleven (11), Block Seventy-Five (75), Original Town, now City of Beatrice, Gage County, Nebraska.

Together with all the rents and profits therefrom and subject to easements and restrictions of record, if any.

Borrower owes Lender Two Hundred Fifty Thousand Dollars ($250,000.00), evidenced by a Rural Economic Development Loan Agreement, Promissory Note, and Personal Guaranty dated August 17, 2026 2026, payable according to the terms thereof.

This Security Instrument secures to Lender the Debt evidenced by said agreements, the payment of all other sums, with interest, advanced under the provisions hereafter to protect the security and the performance of Borrower's covenants and agreements.

Borrower covenants that Borrower is lawfully seised of such real estate and has the legal power and lawful authority to convey the same and warrants and will defend title to the real estate against the claims of all persons.

BORROWER AND LENDER AGREE AS FOLLOWS:

1. Borrower shall pay when due, the principal and interest as provided in said note.

2. All payments received by Lender shall be first applied to advances which may have been made by Lender and then to interest due and last to principal due.

3. Borrower shall pay all general real estate taxes and special assessments against the property before the same become delinquent.

4. Paragraph omitted.

5. Borrower shall keep the improvements on said premises insured against loss by fire and hazards included within the term "extended coverage" for their insurable value and policies for the same shall include a standard mortgage clause showing Lender herein. In event of loss, Lender may make proof of loss if not promptly made by Borrower.

Insurance proceeds shall be applied to restoration or repair of the property damaged, unless both parties otherwise agree, except if restoration or repair is not economically feasible or Lender's security is not lessened, otherwise said proceeds shall be paid on the debt herein, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any payments or proceeds from insurance shall not extend or postpone the due date of the monthly payments provided in said note, or change the amount of the payments.

6. If Borrower fails to perform the covenants and agreements herein contained, Lender may do and pay for whatever is necessary to protect the value of the property and Lender's rights in the property, including the paying of any sum secured by a lien which has priority over this security instrument, appearing in Court, paying reasonable attorney fees and entering the property to make repairs. Any amount disbursed by Lender under this paragraph shall become an additional debt of Borrower secured in this security instrument, to bear interest from the date of disbursement and said amount, together with the then unpaid principal amount, shall bear interest at the highest lawful rate until refunded by Borrower.

7. The proceeds of any condemnation award are hereby assigned and shall be paid to Lender and shall be applied to the sums secured by this security instrument, whether or not then due, with any excess paid to Borrower.

8. Any extensions or modifications of the loan granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

9. Any notice to Borrower provided for in this security instrument shall be given by delivering it or by mailing it by first class mail unless Nebraska Law requires use of another method, at the Borrower's last known address.

10. This security instrument and the note which it secures shall be governed by Nebraska Law.

11. Lender shall give notice to Borrower following Borrower's breach of any covenant or agreement in this security agreement and the note which it secures. This notice shall specify (a) the default, (b) the action required to cure the default, (c) a date not less than 30 days from the date the notice is given to Borrower by which the default must be cured, and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sum secured by this security agreement and resale of the property. The notice shall further inform Borrower of the right to reinstate, after acceleration, and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If default is not cured, on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security agreement without further demand and may invoke the power of sale and any other remedies permitted by Nebraska Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including but not limited to reasonable attorney fees and costs of title evidence.

12. If the power of sale is invoked, Trustee shall record a notice of default in each county in which any part of the property is located and shall mail copies of such notice in the manner prescribed by Nebraska law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Nebraska law. Trustee, without demand on Borrower, shall sell the property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the property at any sale.

Upon receipt of payment of the price bid, Trustee shall deliver to the purchaser Trustee's Deed conveying the property. The recitals in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of sale in the following order: (a) to all expenses of the sale including, but not limited to, Trustee's fees as permitted by Nebraska law and reasonable attorney fees; (b) to all sums secured by this security agreement; and (c) any excess to the person or persons legally entitled to it.

13. Upon acceleration under Paragraph 12 or abandonment of the property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the property and to collect the rents of the property, including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney fees, and then to the sums secured by this security instrument.

14. Upon payment of all sums as herein provided, Lender shall direct Trustee to reconvey the property and shall surrender this security instrument and the note secured. Trustee shall reconvey the property without warranty and without charge to the person legally entitled to it.

15. Lender, at its option, may from time to time remove Trustee and appoint a successor Trustee by an instrument recorded in the county in which this security instrument is recorded. Without conveyance of this property, the successor Trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Nebraska law.

16. Borrower requests that copies of all notices provided herein be sent to Borrower's address which is:

400 Bell Street, Beatrice, NE 68310

IN WITNESS WHEREOF the Borrower has signed this agreement.

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

____

By: Patrick Sedarous
Title: Member

STATE OF ______________)
) ss.
COUNTY OF ____________)

The foregoing instrument was acknowledged before me on this _____ day of _____________, 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.

____

Notary Public

Exhibit "D"

PERSONAL GUARANTY
PATRICK SEDAROUS AND IBRAHIM ELANDALOUSSI
RURAL ECONOMIC DEVELOPMENT PROGRAM LOAN

In order to induce the City of Beatrice, Nebraska, a municipal corporation (the "Lender") to make a loan 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 16 P.S., 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

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

Exhibit "E"

MANAGEMENT REPRESENTATION LETTER

July 16, 2026
City of Beatrice Board of Public Works
400 Ella Street
Beatrice, NE 68310

RE: Rural Economic Development Loan

To Whom it May Concern:

The undersigned, on behalf of Newport Bakers, LLC, a California limited liability company registered in the state of Nebraska (the "Borrower"), hereby certifies to the City of Beatrice Board of Public Works (the "Lender") and the United States of America (the "Government") as follows:

1. The Project has been completed substantially in accordance with the Application Materials, the Letter of Conditions dated June 10, 2022, the Rural Economic Development Loan Agreement, and all applicable Regulations.

2. All proceeds of the Loan have been expended only for Approved Purposes as defined in the Application Materials and the Letter of Conditions. No Loan proceeds have been used for any other purpose.

3. The Borrower has complied with all terms, conditions, and covenants contained in the Loan Agreement, the Promissory Note, the Letter of Conditions, and all applicable federal regulations, including 7 CFR Part 4280, Subpart A.

4. The financial and other information submitted to the Lender and the Government in connection with the Loan, including all reports of expenditures, is true, correct, and complete in all material respects.

5. There are no material adverse changes in the financial condition of the Borrower or the status of the Project since the date of the Loan Agreement that have not been disclosed in writing to the Lender and the Government.

6. The Borrower has obtained and maintained all necessary permits, approvals, and authorizations required for the construction and operation of the Project.

7. No event of default exists under the Loan Agreement, and no event has occurred that, with the giving of notice or passage of time, or both, would constitute an event of default.

8. The Borrower is not in violation of any federal, state, or local law, regulation, or ordinance that could have a material adverse effect on the Project or the Borrower's ability to repay the Loan.

9. All representations and warranties made by the Borrower in the Loan Agreement remain true and correct as of the date of this letter.

The Borrower acknowledges that the Lender and the Government will rely on the truth and accuracy of the statements contained in this letter.

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

______________________ Date: 7/16/26

By: Patrick Sedarous
Title: Member

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

____
Notary Public

My commission expires: Feb. 19, 2030

Exhibit "P"

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

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This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Newport Bakers LLC

Organization Name

PR/Award Number or Project Name

Ibrahim ElAndaloussi / Member Patrick Sedarouer / Member

Name(s) and Title(s) of Authorized Representative(s)

Signature(s)

7/14/20

Date