

City of Scottsbluff, Nebraska

Monday, March 18, 2024

Regular Meeting

Item Reports1

Council to discuss and consider action on the Economic Development Assistance Agreement with Wyobraska Alfalfa Mill, LLC and authorize the Economic Development Program Administrator to sign the Agreement.

Staff Contact: Sharaya Toof, Economic Development Director

ECONOMIC DEVELOPMENT ASSISTANCE AGREEMENT

This Agreement is made on March 5, 2024, between the City of Scottsbluff, Nebraska (the “City”) and Wyobraska Alfalfa Mill, LLC, a Nebraska limited liability company (the “Applicant”).

Recitals:

- a. The City has adopted an Economic Development Program (the “Program”) pursuant to the Nebraska Local Option Municipal Economic Development Act;
- b. The Applicant has made application for assistance from the Program (the “Application”);
- c. The Administrator of the Program (the “Administrator”) and the City Economic Development Application Review Committee (the “Committee”) have reviewed the Application and recommended to the City Council (the “Council”) that a loan (the “Loan”) be made to the Applicant from the City of Scottsbluff Economic Development Fund (the “Fund”) as provided for in this Agreement. The City Council has approved the Committee’s recommendation.
- d. The parties now desire to enter into this Agreement for the purpose of setting out the terms and conditions of the Loan.

Agreement:

1. Purpose of Loan:

The Applicant has opened an alfalfa pellet production mill (the “Business”). The proceeds of the Loan will be used primarily for the completion of the mill and operation of milling equipment used in the Business.

2. Amount of Loan:

The Loan shall be in the amount of \$150,000.00 and shall be disbursed from the City’s Economic Development Fund (the “Fund”) to the Applicant as provided for below. The Loan shall be represented by a promissory note (the “Note”) to be signed at the Loan Closing in the form of the attached “Exhibit A”. The Note shall carry interest from March 22, 2024 (the “Note Interest Date”), at the Applicable Federal Mid-Term rate for the month of the Loan Closing and shall be paid over 5 equal annual payments of principal and interest with the first payment due on March 1, 2025, with each additional payment due on the first day of March of each subsequent year until the Note is paid in full. An amortization schedule shall be attached to the Note setting forth the initial annual payment obligation of the Applicant without the Annual Job Credit, if any, set forth in paragraph 4. of this Agreement.

3. Loan Disbursement and Loan Closing:

As soon as the Applicant has satisfied the conditions to the Loan Closing, the amount of the Loan shall be scheduled as a claim at the next Council meeting for which the matter may be reasonably scheduled. Disbursement of the Loan proceeds shall be made within 10 business days after the Council has approved a claim for the Loan. The disbursement of the Loan proceeds shall constitute the "Loan Closing".

4. Job Credits:

As long as the Applicant is not in default of the Note, this Agreement, or any other document entered into pursuant to this Agreement, the Applicant shall be eligible for credit against the balance due under the Note for Job Credits earned during a Year. A "Year" shall mean the 12-month period ending on each September 30. "Annual Job Credit" shall be calculated as follows:

a. The Applicant shall receive an "Annual Job Credit" during a Year equal to the FTE's for a Year multiplied by \$2,000.00.

b. The amount of the Annual Job Credit may not exceed \$10,000.00 per Year (the "Maximum Annual Credit").

c. If the Applicant earns credits in excess of the Maximum Annual Credit in any one Year, the excess credits may be carried back to one or more prior Years where the Maximum Annual Credit was not earned, as long as the Maximum Annual Credit is not exceeded for any one Year. Excess credits may not be carried forward

In order to receive the Annual Job Credit, the Applicant must file an Annual Report as provided for below. Annual Job Credit shall be applied against the principal balance of the Note as prepayments, which prepayments shall not alter the amount of the annual payment due under the Note. Once the Note is paid in full, no further Annual Job Credit may be earned.

5. Employee Definitions:

a. "Full Time Employee" shall mean a bona fide employee of the Applicant who (1) is classified by the Applicant as full time; and (2) subject to normal and reasonable waiting periods, is eligible for the employer's normal fringe benefit package. This normal fringe benefit package must, at the least, include a health insurance plan with coverage offered to each employee which is, if not declined, substantially paid for by the Applicant.

b. "Eligible Full Time Employee" shall mean a Full Time Employee who: (1) primarily works at the Business, and (2) resides within 60 miles of the corporate limits of the City; provided, however any Full Time Employee who does not reside within 60 miles of the corporate limits of the City at the time that the Full Time Employee is hired, shall nevertheless be considered an Eligible Full Time Employee if the Full Time Employee moves to a residence

within the required geographic area within 6 months of the hiring of the Eligible Full Time Employee.

c. "Full Time Equivalent" Employees (the "FTE's") shall be the number arrived at by dividing the total hours paid by the Applicant to their Eligible Full Time Employees during a Year divided by 2080 hours, and then rounded down to the nearest tenth; provided, however, the maximum hours paid that can be counted for any one Eligible Full Time Employee shall not exceed 40 hours per week. Salaried employees shall be presumed to have been paid 40 hours per week.

6. Representations and Warranties of the Applicant:

The Applicant represents and warrants the following, all of which shall survive the Closing:

a. The Applicant is a limited liability company organized, existing, and in good standing under the laws of Nebraska. The Applicant has full power and authority to enter into this Agreement and carry out the transactions contemplated by this Agreement. The Applicant's execution, delivery and performance of this Agreement have been authorized by all necessary action on the part of the Applicant. This Agreement, and each agreement and instrument delivered by the Applicant pursuant to it, is the legal and binding obligation of the Applicant, enforceable against the Applicant in accordance with its terms.

b. No representation or warranty made by the Applicant in this Agreement contains or will contain any untrue statement of any material fact, or omits or will fail to state any material fact known to the Applicant that are required to make the statements not misleading.

c. The execution and performance of this Agreement will not violate any provision of law, or conflict with or result in any breach of any of the terms or conditions of, or constitute a default under any indenture, mortgage, agreement or other instrument to which the Applicant is a party or by which they are bound.

All representations and warranties made by the Applicant shall survive the Loan Closing.

7. Representations and Warranties of the City:

The City represents and warrants the following, all of which shall survive the Loan Closing:

a. The City is a municipal corporation organized and existing under the laws of Nebraska, and has full power and authority to enter into this Agreement and carry out the transactions contemplated by this Agreement. The City's execution, delivery and performance of this Agreement has been authorized by all necessary action on the part of the City. This Agreement, and each agreement and instrument delivered by the City pursuant to it, is the legal and binding obligation of the City, enforceable against the City in accordance with its terms.

b. No representation or warranty made by the City in this Agreement contains or will contain any untrue statement of any material fact, or omits or will fail to state any material fact known to the City that is required to make the statements not misleading.

8. Conditions to Loan Closing:

The City's obligation to proceed with the Loan Closing is subject to the Applicant's fulfillment of each of the following conditions at or prior to the Loan Closing:

a. All representations and warranties of the Applicant shall be true as of the Loan Closing.

b. The Applicant shall have delivered to the City:

(1) Evidence of Good Standing of the Applicant from the Nebraska Secretary of State.

(2) A copy of the current and correct Certificate of Organization and Operating Agreement of the Applicant certified by Ryan Walker or Levi Umble (the "Members") to be correct;

(3) Certified resolutions of the Members authorizing this Agreement and providing for signature authority.

c. In order to secure the Loan and the Repayment, the Applicant shall have delivered to the City the following:

(1) a security agreement (the "Security Agreement") covering the Applicant's assets. The Security Agreement shall be in the form of the attached "Exhibit B".

(2) a guaranty (the "Guaranty") of the Member. The Guaranty shall be in the form of the attached "Exhibit C".

d. The Applicant shall in all material respects have performed its obligations, agreements, and covenants contained in this Agreement to be performed by them, on, or before the Loan Closing.

e. There shall have been no material adverse change in the operation or financial status of the Applicant and the Loan Closing shall constitute the Applicant's representations that there has been no such material adverse change.

f. In requesting the disbursement of the Loan, the Applicant is considered to have represented that the above conditions have been satisfied and are continuing to be satisfied.

9. Annual Reports:

If the Applicant desires to claim Annual Job Credit, the Applicant shall annually, within 90 days of the end of each Year, provide to the Administrator a report in form and substance provided and required by the Administrator which calculates the Annual Job Credit for the Year (the "Annual Report"). The Administrator shall have the right at any time to (i) require that the Annual Reports be reviewed at the Applicant's expense by a Certified Public Accountant reasonably acceptable to the Administrator, or (ii) hire, at the Administrator's own expense, an independent Certified Public Accountant or other business or financial expert, to review the books and records of the Applicant pertaining to the Annual Report and any other terms and conditions as provided for in this Agreement. If after a review or audit of the Applicant's records it is discovered that the Annual Job Credit claimed on the Annual Job Credit Report exceeds 10% of the Annual Job Credit as determined by the Administrator, then the Administrator may require the Applicant to reimburse the Fund for the actual cost of the audit.

10. Default:

The Applicant shall be in default in this Agreement and the Note if any of the following happen:

- a. Failure to comply with any of the terms of this Agreement or the Note, to include an assignment not permitted under this Agreement.
- b. Any warranty, representation or statement made or given to the City by the Applicant proves to have been false in any material respect when made or given.
- c. Dissolution or liquidation of any of the Applicant, the termination of existence, insolvency, business failure, appointment of a receiver, assignment for the benefit of creditors, or bankruptcy of the Applicant.
- d. The Applicant ceases to conduct its Business or moves its Business without prior written notice to the City of the move.

11. Assignability:

The Administrator may assign his interest in this Agreement to any successor administrator designated by the City Council. The Applicant may not assign or transfer its interest in this Agreement without the consent of the Administrator. Assignment shall include a transfer of ownership of the Applicant which results in the Members each owning less than 50% of the ownership interests of the Applicant.

12. Confidentiality:

It is agreed that this Agreement and its terms are public record and are not confidential. However, the City agrees to take reasonable steps to insure that any financial and proprietary information provided in connection with this Agreement by the Applicant shall remain confidential and shall not be revealed or disclosed to outside sources unless the information is public knowledge, is independently developed, or is required to be disclosed by law or legal process.

13. Notices:

Any notices or other communications between the parties shall be personally delivered, sent by certified or registered mail, return receipt requested, by Federal Express or similar service that records delivery, to the addresses set out below, or to such other address as a party may designate, from time to time, by written notice to the other. A notice shall be deemed effective upon receipt.

a. If to the City:

City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69361
Fax: (308) 632-2916
Attention: City Manager

b. If to the Applicant:

Wyobraska Alfalfa Mill, LLC
40137 Sunflower Oil Road
Mitchell, NE 69357
Attention: Ryan Walker or Levi Umble

14. Miscellaneous:

a. This Agreement constitutes the entire agreement of the parties with respect to its subject matter, and may only be modified by a writing signed by both of the parties.

b. The City's waiver of any one default shall not be a waiver of the same or any other default in the future. In addition, the City's failure to exercise any right given to it by this Agreement shall not be a waiver of any later exercise of that right.

c. The provisions of this Agreement are severable and if any provision is held to be invalid, the remainder of the Agreement shall remain in effect.

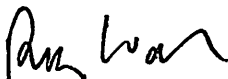
d. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute a single instrument.

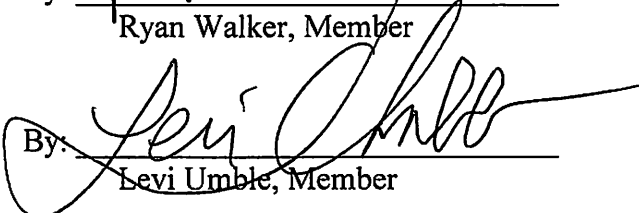
- e. This Agreement shall be governed by the laws of Nebraska.
- f. This Agreement shall be binding on the successors and assigns of the parties.

City of Scottsbluff, Nebraska

Wyobraska Alfalfa Mill, LLC

By: _____
Economic Development
Program Administrator

By: 
Ryan Walker, Member

By: 
Levi Umble, Member

PROMISSORY NOTE

\$150,000.00

Date: March 5, 2024

Wyobraska Alfalfa Mill, LLC, a Nebraska limited liability company (the "Borrower") promises to pay to the order of the City of Scottsbluff, Nebraska (the "Lender") the sum of One Hundred Fifty Thousand Dollars (\$150,000.00). Interest shall accrue at the rate of 4.06% per annum from March 22, 2024, and shall be payable according to the terms of an Economic Development Assistance Agreement between the Lender and the Borrower dated March __, 2024 (the "EDA Agreement"). Attached to this Promissory Note, marked as Exhibit 1 and incorporated by this reference, is an amortization schedule setting forth the annual payment obligation without the Annual Job Credit, if any. The Borrower shall have the right to prepay all or any part of the principal at any time.

This Note is being made pursuant to the EDA Agreement, the terms of which are incorporated in this Note by reference. This Note is secured by a Security Agreement given by the Borrower to the Lender covering the Borrower's equipment, as well as personal Guaranties from the Members of the Borrower.

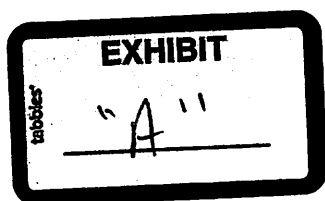
The Borrower waives presentment, demand for payment, notice of dishonor, notice of protest, and all other notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note.

If default is made in any payment when due, then, at the option of the Lender, the entire balance due shall become due and payable. In the event that a default is declared, the entire remaining balance at that time shall bear interest at the rate of 7% per annum until paid. In the event that legal action is necessary to enforce payment of this Note, the Borrower shall be liable for reasonable attorney fees and costs of suit. This Note shall be governed by the laws of Nebraska.

Wyobraska Alfalfa Mill, LLC, a Nebraska limited liability company

By: Ryan Walker
Ryan Walker, Member

By: Levi Umble
Levi Umble, Member



Wyobraska Alfalfa Mill

Compound Period : Annual

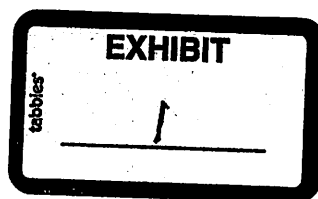
Nominal Annual Rate : 4.060 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/22/2024	150,000.00	1		
2 Payment	03/01/2025	33,675.12	5	Annual	03/01/2029

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 03/22/2024				150,000.00
2024 Totals	0.00	0.00	0.00	
1 03/01/2025	33,675.12	5,739.62	27,935.50	122,064.50
2025 Totals	33,675.12	5,739.62	27,935.50	
2 03/01/2026	33,675.12	4,955.82	28,719.30	93,345.20
2026 Totals	33,675.12	4,955.82	28,719.30	
3 03/01/2027	33,675.12	3,789.82	29,885.30	63,459.90
2027 Totals	33,675.12	3,789.82	29,885.30	
4 03/01/2028	33,675.12	2,576.47	31,098.65	32,361.25
2028 Totals	33,675.12	2,576.47	31,098.65	
5 03/01/2029	33,675.12	1,313.87	32,361.25	0.00
2029 Totals	33,675.12	1,313.87	32,361.25	
Grand Totals	168,375.60	18,375.60	150,000.00	



SECURITY AGREEMENT

This Security Agreement is made on March ____, 2024, between the following parties:

The “Secured Party”:

City of Scottsbluff, Nebraska, a municipal corporation
2525 Circle Drive
Scottsbluff, NE 69361

The “Debtor”:

Wyobraska Alfalfa Mill, LLC, a Nebraska limited liability company
40137 Sunflower Oil Road
Mitchell, NE 69357

1. Security Interest and Collateral:

a. The Debtor grants a security interest to the Secured Party in the following assets (collectively referred to as the “Collateral”) of the Debtor’s business located at 40137 Sunflower Oil Road, Mitchell, Nebraska (the “Business”), now leased or that the Debtor may own in the future, together with all parts, accessories, repairs, improvements, and accessions to the Collateral, wherever it is located, and all proceeds and products from the Collateral:

Equipment: All equipment, furniture, fixtures, leasehold improvements, office and recordkeeping equipment.

b. This Security Agreement is given to secure the following obligations (collectively the “Obligations”):

(1) The “Note” as provided for in an Economic Development Assistance Agreement between the Secured Party and the Debtor dated March ____, 2024 (the “EDA Agreement”).

(2) Any extensions or renewals of the Note and the payment of any amounts which may be advanced later to the Debtor or any amounts paid by the Secured Party on the Debtor’s behalf pursuant to the terms of this Security Agreement. The making of advances or payments shall be at the Secured Party’s option and shall carry interest at the default rate as set out in the Note.

2. The Debtor’s Status and Use of the Collateral:

a. The Debtor is a limited liability company properly organized and currently existing under the laws of Nebraska. The signing of this Agreement and the granting of this

security interest are within the Debtor's powers, have been properly authorized, and do not violate any of its organizational documents or any other agreement binding on it. The person(s) signing this Agreement have the authority to act for the Debtor.

b. The Collateral will be used primarily for business purposes.

3. The Debtor Represents, Warrants and Agrees that:

a. The Debtor is the owner of the Collateral and that there are no other liens, security interests or encumbrances against the Collateral prior to this Security Agreement, except for the lien of Farm Credit Services. The Debtor will defend the Collateral against all claims and demands of any other person claiming any interest in it.

b. No financing statement covering the Collateral or proceeds of the Collateral is on file in any public office which has priority over the lien created by this Security Agreement, except for the financing statement of Farm Credit Services. The Secured Party is authorized to file any and all financing statements that it determines necessary in order to perfect its security interest.

c. The Debtor's principal place of business is at the address shown on the first page of this Agreement. The Debtor shall immediately notify the Secured Party in writing if the principal place of business changes, or if the Debtor changes its name.

d. The Collateral is located in Nebraska. The Debtor will not remove the Collateral to any other state where a financing statement is required, but has not been filed, in order to perfect the Secured Party's security interest.

e. The Debtor will not allow any other lien, security interest or encumbrance against the Collateral which is prior to the liens created by this Security Agreement, except for the lien of Farm Credit Services. The Debtor will not let the Collateral be attached or replevied.

f. The Debtor will not allow any Collateral to become part of or attached to real estate without making sure to the Secured Party's satisfaction that the Secured Party's security interest will be prior to any interest in or lien against the real estate.

g. The Debtor shall immediately notify the Secured Party of any loss of or material damage to any Collateral or of any adverse change in the condition of the Collateral.

h. The Debtor will keep the Collateral in good repair and condition and shall make all necessary and proper repairs, renewals, replacements, additions and improvements.

i. Except as otherwise permitted under this Agreement, the Debtor will not sell, offer to sell or in any way transfer the Collateral or any interest in the Collateral without first receiving the Secured Party's written consent.

j. The Secured Party shall have the right through any of its officers, employees, attorneys, accountants or agents to inspect the Collateral at any reasonable time, to include the right to make copies of the Debtor's books and records and to arrange for verification of accounts receivable. Upon default, the Debtor will furnish to the Secured Party when requested all notes or other documents evidencing receivables, guarantees, security interests held, securities or other related documents and information.

k. In order to evidence the Secured Party's rights under this Agreement, the Debtor agrees to assign or endorse the Collateral or proceeds to the Secured Party when requested. The Secured Party shall have the power to collect, compromise, endorse, sell, or deal with the Collateral or proceeds in any other way in either the Secured Party's or the Debtor's name. The Debtor shall pay to the Secured Party on demand any amounts spent by the Secured Party in the collection or attempted collection of the Collateral and in protecting and enforcing the Obligations and any other of the Secured Party's rights.

l. The Debtor shall not use or transfer any part of the Collateral or proceeds for personal purposes except with the Secured Party's written consent. The Debtor shall not commingle funds or other business assets with personal assets and shall keep separate accountings for business and personal needs.

m. The Debtor shall pay all taxes and assessments that may be levied against the Collateral before they become delinquent.

n. The Debtor shall at the Debtor's expense provide fire, theft, and extended coverage insurance in an amount equal to the value of the tangible Collateral. This insurance shall remain in effect until all amounts secured are paid and shall provide for loss payable to the Secured Party as its interest may appear. The Debtor will on demand furnish proof of insurance to the Secured Party. In case of an insured loss where the Debtor is in default, the Secured Party shall be entitled to use the insurance proceeds to pay all or any portion of the amount secured whether or not the Obligations are due at that time.

o. At the Secured Party's option, and after 15 days written demand is made on the Debtor to do so which demand is not complied with by the Debtor, the Secured Party may pay taxes and assessments, discharge liens, security interests or other encumbrances placed against the Collateral which threaten the continued use of the Collateral by the Debtor, and may pay for any necessary repairs, maintenance or other expenses to maintain and preserve the Collateral. The Debtor agrees to reimburse the Secured Party on demand for any advances made for these items by the Secured Party. Until paid by the Debtor, the advances shall be added to the

indebtedness secured, shall carry interest at the default rate as provided for in the EDA Agreement, and shall be secured by this Security Agreement.

p. The Debtor agrees not to use the Collateral in violation of any appropriate statutes, regulations or ordinances.

4. Default:

a. Until default, the Debtor may have possession of the Collateral and use it in any way that does not violate the terms of this Agreement.

b. The Debtor shall be in default if any of the following happen:

(1) Failure to pay the amounts under the Note and EDA Agreement.

(2) Failure to comply with any of the terms of this Agreement or the terms of the EDA Agreement.

(3) Any warranty, representation or statement made or given to the Secured Party by the Debtor or on its behalf proves to have been false in any material respect when made or given.

(4) Default by the Debtor in the payment of any other obligation, note, security agreement or other agreement between the Debtor and the Secured Party.

(5) Any event resulting in the acceleration of the maturity of any debts of the Debtor to others.

(6) Loss, theft, damage or destruction to any of the Collateral needed to operate the Business which is not repaired or replaced within a reasonable time.

(7) Encumbrance, levy, seizure, garnishment or attachment of any of the Collateral.

(8) Sale or disposition of the Collateral without the Secured Party's prior written consent unless the Collateral is (a) obsolete and of minimal value, or (b) replaced by items of comparable or greater value.

(9) The Debtor's insolvency, business failure, appointment of a receiver, assignment for the benefit of creditors, or bankruptcy.

(10) The Debtor suspends or stops the transaction of its business.

(11) The Secured Party in good faith believes that repayment, or performance of any of the Obligations or realization on the Collateral is impaired.

c. Upon default or if the Secured Party deems itself insecure, the Secured Party may declare the Obligations immediately due and payable. The Secured Party shall have the remedies of a Secured Party under the Nebraska Uniform Commercial Code. In addition, the Secured Party shall have the following rights:

(1) To require the Debtor to assemble the Collateral and deliver or make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties.

(2) To enter the Debtor's premises without liability for damages, take possession of the Collateral without judicial process, and use and occupy the premises.

(3) Have access to the Debtor's books and records concerning the Collateral.

(4) If reasonable notice of any public sale, private sale, or other disposition of the Collateral is required by law, this requirement shall be met if the notice is mailed to the Debtor at the addresses shown in this Agreement at least 5 calendar days before the time of the sale or disposition.

(5) The Secured Party may hold, use, operate, manage and control the Collateral (or any part of it) and may collect all earnings, proceeds or amounts owed to the Debtor. The Secured Party shall have to account only for the net earnings from the use deducting all expenses incurred during the use.

(6) The Secured Party may sell all or any part of the Collateral at public or private sale, for cash or on credit, and at a price or prices as the Secured Party may deem satisfactory. The sale may be a sale of the Collateral in its entirety or in separate parts, as determined by the Secured Party. The Secured Party may be the purchaser of any or all of the Collateral sold by public sale, and thereafter hold the Collateral free from any right or claim of any kind.

(7) The Secured Party shall have the right to apply all amounts realized on the sale or disposition of the Collateral on the Obligations in the order determined by the Secured Party and regardless of the existence of any other security held by the Secured Party.

d. All expenses of recovering possession of the Collateral and enforcement of this Security Agreement to include the Secured Party's reasonable attorney fees and legal expenses shall be additional obligations of the Debtor. These expenses shall be included in the

Obligations, shall be immediately payable by the Debtor and may be recovered by the Secured Party out of the proceeds of any sale or disposition.

5. Miscellaneous:

a. The Secured Party's waiver of any one default shall not be a waiver of the same or any other default in the future. In addition, the Secured Party's failure to exercise any right given to it by this Agreement shall not be a waiver of any later exercise of that right.

b. The Secured Party's taking of this Security Agreement shall not waive or impair any other security that the Secured Party may have or later acquire for the payment of the indebtedness secured by this agreement.

c. Upon the full discharge and satisfaction of the Obligations, all rights assigned to the Secured Party shall terminate, and all right, title and interest of the Secured Party in the Collateral shall revert to the Debtor. The Secured Party shall file all requisite termination statements and do all other acts as are reasonably required of it to evidence the termination of the security interests granted by this Security Agreement.

d. All notices required under this Security Agreement shall be in writing and shall be delivered in person or sent by registered or certified mail, postage prepaid, at the addresses shown on the first page of this Security Agreement. Any party may change its address for receiving notice by written notice to the other party.

e. This Security Agreement shall be governed by the laws of Nebraska.

f. The provisions of this Security Agreement are severable and if any provision is held to be invalid, the remainder of the Agreement shall remain in effect.

g. This Security Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

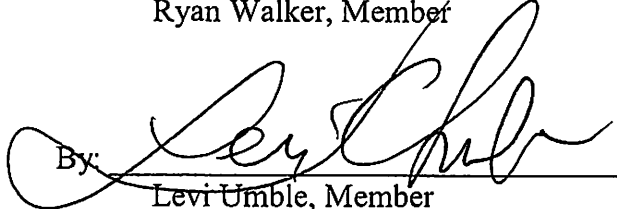
h. This Security Agreement shall be binding on the successors and assigns of the parties.

City of Scottsbluff, Nebraska, a
municipal corporation

Wyobraska Alfalfa Mill, LLC, a
Nebraska limited liability company

By: _____
Economic Development
Program Administer

By: 
Ryan Walker, Member

By: 
Levi Umble, Member

GUARANTY

This Guaranty is given by Ryan Walker and Levi Umble (the “Guarantors”) to guarantee certain obligations of Wyobraska Alfalfa Mill, LLC, a Nebraska limited liability company (the “Applicant”) to the City of Scottsbluff, Nebraska (the “City”).

Recitals:

a. The Applicant has entered into an Economic Development Assistance Agreement with the City dated March ___, 2024 (the “EDA Agreement”). Capitalized terms not otherwise defined in this Guaranty shall have the same meaning as provided for in the EDA Agreement.

b. One of the conditions to the EDA Agreement is that the Guarantors enter into this Guaranty.

Guaranty:

1. Obligations Guaranteed:

The obligations of the Applicant being guaranteed (the “Obligations”) are:

- a. The “Note” as defined in the EDA Agreement;
- b. Any and all other obligations of the Applicant under the EDA Agreement and any other documents entered into pursuant to the EDA Agreement;
- c. All costs, expenses and attorney fees paid or incurred by the City in collecting the Repayment, and in enforcing this Guaranty.

2. Guarantee of Payment:

This Guaranty is a guarantee of payment and the City shall not be required to resort first for payment from the Applicant or from any other person liable in any way for the Obligations.

3. Exercise of Rights/Waiver:

The City may at any time without consent of or notice to the Guarantors, and without incurring responsibility to or impairing or releasing the Obligations, in whole or in part:

- a. Where agreed to by the Applicant, change the manner, place or terms of payment and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security, or any debt, liability or obligation incurred directly or indirectly with respect to the Obligations and this Guaranty shall continue to apply to the Obligations as changed, extended, renewed or altered;

b. Exercise or refrain from exercising any rights against the Applicant or others (including the Guarantors);

c. Settle or compromise any of the Obligations or any security for the Obligations, and may subordinate the payment of all or any part of the Obligations to the payment of any debt, liability or obligation (whether due or not) of the Applicant to creditors of the Applicant other than the City and the Guarantors; and

d. Apply any sums paid or realized from any source to the Obligations and regardless of the application or use of the consideration, if any, received in connection with the Obligations.

4. Primary Obligation:

a. This Guaranty is a primary obligation of the Guarantors. The Guarantors' obligations under this Guaranty shall be joint and several. The Guarantors' obligation shall not be affected by the illegality, invalidity, irregularity or unenforceability of all or any part of the Obligations or of any security for the Obligations, or by the violation of any applicable usury laws, forgery, or any other circumstances which make the Obligations unenforceable against the Applicant which actions are the responsibility of the Applicant.

b. The fact that the financial condition of the Applicant or any other obligor or guarantor may not have been correctly estimated or may change at any time shall have no effect on the rights of the City under this Guaranty. The City shall have no duty to disclose to the Guarantors any facts it may now or in the future have concerning the Applicant's financial condition.

c. The Guarantors shall remain obligated under this Guaranty even if the Applicant, or any other person who is obligated to pay the Obligations, has the Obligations discharged in bankruptcy or in any other manner. In the event of a discharge, the Guarantors' obligation shall include attorney's fees and any other amounts which the Applicant is discharged from paying.

d. If claim is ever made against the City for repayment or recovery of any amount or amounts received by the City in payment or on account of any of the Obligations and the City repays all or part of the amount claimed by reason of (1) any judgment, decree or order of any court (including a bankruptcy court) or administrative body having jurisdiction over the City or (2) any settlement or compromise of any claim effected by the City with any claimant (including the Applicant), then the Guarantors agree that the judgment, decree, order, settlement or compromise shall be binding upon the Guarantors even though this Guaranty may have been revoked or released or the Obligations were canceled or released. In that event, the Guarantors shall remain liable to the City for the amount repaid by the City as if that amount had never been received by the City, along with any costs, interest, attorneys' fees and all other expenses incurred by the City in connection with the repayment.

5. Miscellaneous:

a. This Guaranty shall continue until the Obligations are paid in full or unless released by the City. All Obligations shall be conclusively presumed to have been made all or in part in reliance on this Guaranty.

b. The Guarantors waive notice of acceptance of this Guaranty and notice of the Obligations, and waive presentment, demand of payment, protest, notice of dishonor or nonpayment, notice of default, or notice of right to cure any default with respect to any of the Obligations, or notice of any suit or other action by the City against any party liable for the Obligations.

c. Unless and until the Obligations are satisfied in full, the Guarantors waive all present and future claims, rights, and remedies against the Applicant or any other party obligated for the Obligations. This waiver includes, but is not limited to, the rights of contribution, reimbursement, indemnification, subrogation, exoneration, and any right to participate in any claim or remedy that the City may have.

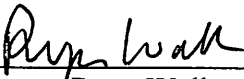
d. No delay or failure on the part of the City to exercise its rights under this Guaranty shall be considered as a waiver of the City's rights under this Guaranty. No waiver, modification or amendment of this Guaranty by the City shall be effective unless in writing, and then shall only apply to the specific instance involved.

e. Any acknowledgment or new promise, whether or not a payment of any Obligation has occurred, by the Applicant or anyone else (including the Guarantors) shall toll any statute of limitations that may otherwise be running with respect to the Guarantors.

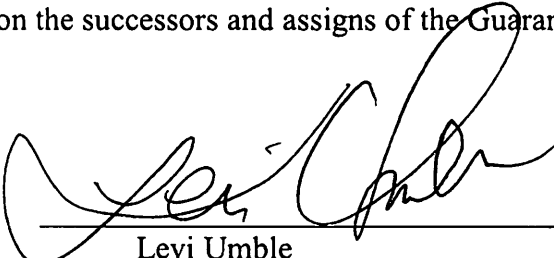
f. This Guaranty shall be construed according to the laws of Nebraska.

g. This Guaranty shall be binding upon the successors and assigns of the Guarantors.

Dated: March ____, 2024.



Ryan Walker



Levi Umble

WYOBASKA ALFALFA MILL, LLC
A Nebraska Limited Liability Company
Action by Written Consent

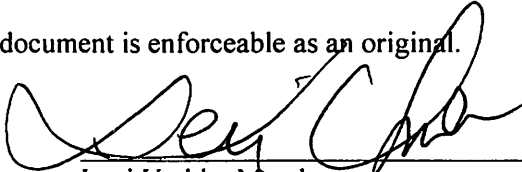
The undersigned, being all the Members of Wyobraska Alfalfa Mill, LLC, a Nebraska Limited Liability Company (the "Company") by unanimous written consent, take the following actions and adopt the following resolutions:

Resolved:

1. The Company has entered into an Economic Development Assistance Agreement (the "Agreement") with the City of Scottsbluff, Nebraska (the "City") relating to a loan from the City to be used in operation of the Company's production and manufacturing of alfalfa pellets.
2. The Company ratifies the Agreement.
3. Without limiting the foregoing, Ryan Walker and Levi Umble as the Members are authorized, empowered and directed, on behalf of the Company, to execute and deliver all other agreements and documents deemed necessary or otherwise required in connection with the Agreement and the closing of the loan contemplated thereby, including without limitation the Agreement, Promissory Note, Security Agreement and other documents, upon such terms and with such changes, as they deem necessary, convenient and in the best interest of the Company. The execution and delivery of such agreements and documents by Ryan Walker and Levi Umble, whether before or after the date of this Action by Written Consent, shall constitute conclusive evidence that the terms of the Agreement and documents are authorized by and binding on the Company.
4. This Action by Written Consent shall have the effect of a unanimous vote of the Members. This Action by Written Consent shall be effective as of March __, 2024.
5. A copy, email, or fax transmission of this document is enforceable as an original.



Ryan Walker, Member



Levi Umble, Member