



H601

When Recorded Return To:

Lincoln Federal Savings Bank of Nebraska  
1101 N Street  
Lincoln, NE 68508  
Attention: Debra S. Roberts



**DEED OF TRUST WITH FUTURE ADVANCES,  
ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT**

This Deed of Trust, Assignment of Rents, and Security Agreement ("Deed of Trust") is dated February 26, 2015, among Parcel 1: Zan It, L.L.C., a Nebraska Limited Liability Company. Parcel 2 and 3: Jeffrey J. Fredrick

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ ("Trustor") whose address is P.O. Box 80612 Lincoln, NE 68501;  
Lincoln Federal Savings Bank of Nebraska (sometimes referred to as "Lender" or "Beneficiary") whose address is 1101 N Street, Lincoln, NE 68508; and Lincoln Federal Savings Bank of Nebraska ("Trustee") whose address is 1101 N Street, Lincoln, NE 68508.

**TRANSFER IN TRUST OF THE PROPERTY.** For valuable consideration, Trustor irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit of Lender as Beneficiary, all of Trustor's right, title and interest in and to the property having the following legal description located in Lancaster County, Nebraska:

**Parcel 1:**  
Lot 17, Pelican Bay, Lincoln, Lancaster County, Nebraska.

which currently has the address of 1342 Pelican Bay Place, Lincoln, NE 68528

**Parcel 2:**  
Lots One (1) and Two (2), Block One (1), York's Subdivision, Lincoln, Lancaster County, Nebraska

which currently has the address of 301 South 70th Street, Lincoln, NE 68510

**Parcel 3:**  
Lot 73, Irregular Tract located in the Northeast Quarter of Section 2, Township 9 North, Range 6 East of the 6th P.M., Lancaster County, Nebraska and Lots 1, 2, 3, 4 and 5 of Blocks 2 and 3, inclusive, except for the South 5 feet of Lot 5, Block 3, and except that portion conveyed to the City of Lincoln in a Deed dated the 26th of February 1979 all in W.H. Green's Subdivision of Lots 37 and 45 in the Northeast Quarter of Section 2, Township 9 North, Range 6 East of the 6th P.M., Lincoln, Lancaster County, Nebraska together with vacated Cave Street.

which currently has the address of 3205 South 13th Street, Lincoln, NE 68502.

The property is commonly known as 1342 Pelican Bay / 301 South 70th St / 3205 South 13th  
[Street Address]

Lincoln, Nebraska, 68528/10/02 ;  
[City] [Zip Code]

Nebraska

TO REBA  
YORKS  
GREENS

TOGETHER WITH all the improvements now or hereafter erected on the foregoing property, and all easements, appurtenances, and fixtures now or hereafter a part thereof, and all replacements and additions to the thereto. All of the foregoing is referred to in this Deed of Trust as the "Property". This Deed of Trust constitutes a Security Agreement to the extent any of the Property constitutes fixtures or equipment located on or used in connection with the Property. Trustor hereby grants to Lender a security interest in such fixtures and equipment and acknowledges and agrees that Lender shall have all of the rights of a secured party under the Uniform Commercial Code;

TOGETHER WITH all leases, security deposits, rents, income and profits from the Property, now existing or hereafter arising.

**TRUSTOR AND LENDER FURTHER COVENANT AND AGREE AS FOLLOWS:**

**1. Obligations Secured.** This Deed of Trust secures: (a) the repayment of the Note and all renewals, extensions and modifications of the Note, in the original principal amount of \$ 157,000.00; (b) the performance of all covenants and agreements under this Deed of Trust and the Note; (c) all future advances made by Lender to protect its interests in the Property; (d) all future advances made to any Borrower at the option of the parties; and (e) all obligations, debts and liabilities, plus interest thereon, of any Borrower to Lender, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or involuntary, whether due or not due, direct or indirect, absolute or contingent, whether Borrower may be liable individually or jointly with others, whether Borrower or Trustor may be obligated as guarantor, surety, accommodation party, or otherwise, whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable. At no time shall the principal amount of such optional future advances, not including sums advanced to protect the security of this Deed of Trust or other indebtedness secured by this Deed of Trust, exceed the amount of \$ 314,000.00.

**2. Payment of Obligations.** All sums secured by this Deed of Trust shall be paid, when due. If any instrument is returned to Lender unpaid, Lender may require that any subsequent payments be made in cash, money order, certified check, cashier's check, or Electronic Funds Transfer. Payments must be made to Lender at the location designated in the Note or at such other location as may be designated by Lender. Lender may return or retain any payment that is insufficient to make the Periodic Payment. In the event Lender retains a partial payment, Lender may hold such partial payment as "unapplied funds" until Borrower remits to Lender sufficient funds to make a Periodic Payment in full. Lender shall not be obligated to pay interest on such unapplied funds. If not applied earlier, unapplied funds will be applied to the outstanding sums due under the Note or any other obligation secured by this Deed of Trust immediately prior to foreclosure or exercise of the power of sale contained herein. No offset or claim that Borrower or Trustor might have at any time against Lender shall operate to waive any payment performance due to Lender or the covenants and agreements contained in any document or instrument heretofore or hereafter executed and delivered to Lender.

**3. Application of Payments or Proceeds.** Unless otherwise required by Applicable Law, amounts paid to Lender hereunder, including, without limitation, principal, interest, insurance proceeds, Miscellaneous Proceeds, and rents and profits shall be applied by Lender to the amounts secured hereby in such order as Lender in its sole discretion deems desirable. If more than one Periodic Payment is outstanding, Lender may apply any payment to the extent that the Periodic Payments can be paid in full. If any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any other sums due to Lender. Voluntary prepayments shall be applied first to any prepayment charges imposed by Lender. Any application of payments, insurance proceeds, or Miscellaneous Proceeds to the sums secured by this Deed of Trust shall not extend the due date, or change the amount, of the Periodic Payments.

**4. Warranty of Title.** Trustor warrants that: (a) Trustor holds good and marketable title to the Property in fee simple, free and clear of all liens and encumbrances other than those disclosed, in writing, to Lender ("Permitted Encumbrances"); (b) Trustor has the full power and authority to execute and deliver this Deed of Trust; and (c) Trustor will defend the title to the Property against all claims and demands. In any action concerning Trustor's title to the Property or the interests of Lender under this Deed of Trust, Trustor shall defend the action at Trustor's sole cost and expense, however, Lender shall have the right to participate in such action and to be represented by counsel of Lender's choice with Trustor to pay all of Lender's costs.

**5. Charges; Liens.** Trustor shall pay, before any of the following become delinquent, all taxes, assessments, charges, fines, and impositions attributable to the Property and all leasehold payments or ground rents on the Property, if any, and all fees and assessments, if any. Trustor shall promptly discharge any lien which has priority over this Deed of Trust unless Trustor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Trustor is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to the lien of this Deed of Trust. If Lender determines that any part of the Property is subject to a lien which can attain priority over the lien of this Deed of Trust, Lender may give Trustor a notice identifying the lien and thereafter Trustor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the date on which that notice is given. Trustor shall pay for all charges for any real estate tax verification and/or reporting service used by Lender in connection with the Loan. If Trustor fails to pay any lien or charge, Lender may, but is not required, to pay such lien or charge. Any amounts paid by Lender to discharge liens, charges, or for tax verification or reporting services shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of payment by Lender.

**6. Insurance.** Trustor shall maintain at Trustor's cost and expense policies of insurance with responsible companies in such amounts and against such risks as may be required by Lender, including, but not

limited to, casualty insurance, general liability insurance, worker's compensation insurance, life insurance, business interruption insurance, flood insurance, title insurance, fire insurance with standard extended coverage endorsements, and insurance against any other risk for which Lender requires insurance. The insurance that Lender requires can change during the term of the Loan. The insurance carrier shall be chosen by Trustor, subject to Lender's right to disapprove of the insurance carrier. If Trustor fails to maintain any insurance that Lender requires, Lender may obtain insurance at Trustor's expense. Lender is under no obligation to obtain any type or amount of insurance. All amounts paid by Lender for insurance shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of payment by Lender. All policies of insurance and all renewals thereof shall include a standard mortgage clause that shall name Lender as mortgagee and/or loss payee. Lender shall have the right to hold the policies and renewal certificates. Trustor shall, upon demand, provide Lender with satisfactory proof that such insurance is in full force and effect. If Trustor obtains any form of insurance coverage not otherwise required by Lender, such insurance shall include a standard mortgage clause and shall name Lender as mortgagee and/or loss payee.

In the event of loss, Trustor shall give prompt notice to the insurance carrier and to Lender, and Trustor shall fully cooperate in the expeditious resolution of all claims arising out of such loss. Unless Lender and Trustor otherwise agree in writing, all insurance proceeds, whether or not the underlying insurance was required by Lender, shall be paid to Lender and be disbursed by Lender in one or more disbursements for the restoration or repair of the Property, if restoration or repair is economically feasible and Lender's security is not lessened. Lender shall not be required to pay interest on such insurance proceeds. Fees for public adjusters or other third parties necessary to determine and settle any insurance claim, including, but not limited to any attorneys' fees incurred by Trustor, shall not be paid out of the insurance proceeds but rather shall be the sole obligation of Trustor. If restoration or repair of the Property is not economically feasible or if Lender's security would be lessened by restoration or repair, the insurance proceeds shall be paid to Lender and applied to any sums secured by this Deed of Trust, whether or not then due, in such order as Lender in its sole discretion determines, with the excess, if any, paid to Trustor.

Trustor hereby assigns to Lender all of Trustor's rights in all policies of insurance required by Lender or relating to the Property. In the event of a default, or if Trustor abandons the Property, or if Trustor fails to promptly prosecute any insurance claim, Lender may: (a) file, negotiate and settle any insurance claim; (b) collect all insurance proceeds and apply the same to any sums secured by this Deed of Trust; and (c) exercise all rights under the policies of insurance. Trustor hereby appoints Lender as its attorney-in-fact to file, negotiate, and settle any such insurance claim. Trustor shall promptly execute all documents and instruments that Lender or the insurance carrier may require for any insurance claim.

**7. Flood Zone Charges.** Trustor shall pay all charges for flood zone determination, certification and tracking services and any subsequent charges for remapping or similar changes that occur which might affect such determination or certification. Trustor shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency or any other governmental agency in connection with the review of any flood zone determination resulting from an objection by Trustor.

**8. Maintenance and Protection of the Property; Inspections.** Trustor shall maintain the Property in tenable condition. Trustor shall promptly perform all repairs, replacements, and maintenance as is necessary to preserve the value of the Property. In the event Trustor fails to maintain and repair the Property, Lender may do so at Lender's option, however nothing set forth herein shall obligate Lender to maintain or repair the Property. Any amounts paid by Lender for the maintenance, repair or protection of the Property shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of payment by Lender. Upon notice to Trustor, Lender or its agent may inspect the Property, including the interior thereof.

**9. Protection of Lender's Interests.** If Trustor abandons the Property or otherwise fails to perform its duties under this Deed of Trust, or if there is a legal proceeding that might affect Lender's interest in the Property such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Deed of Trust, or to enforce laws or regulations, then Lender may do whatever Lender deems reasonable or appropriate to protect Lender's interest in the Property, including, but not limited to: (a) paying any sums secured by a lien which has priority over this Deed of Trust; (b) appearing in court and defending Lender's rights; (c) paying reasonable attorneys' fees; (d) making repairs, changing locks, replacing or boarding up doors and windows, and draining water from pipes; (e) eliminating code violations or dangerous conditions; or (f) having utilities turned on or off. Lender is not under any duty to take any of the foregoing actions. Any amounts expended by Lender to protect Lender's interests shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of expenditure by Lender.

**10. Ground Lease.** If this Deed of Trust encumbers a leasehold estate, Trustor shall comply with all the provisions of the lease, and should Trustor fail to do so, then Lender may, at its sole option, take such action as may be necessary to preserve the leasehold estate. Any amounts paid by Lender hereunder shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of payment by Lender. If Trustor acquires fee title to the Property, Lender's lien hereunder shall encumber the fee title interest at the time that Trustor acquires such fee interest.

**11. Condemnation.** If any condemnation or eminent domain action is filed that affects the Property, Trustor shall give immediate written notice of the same to Lender. Trustor shall take, at its sole cost and expense, all action necessary to defend the condemnation action and to obtain the highest and best award. Trustor may be the nominal party in such action, but Lender shall be entitled to participate in the action and to be represented by counsel of its choice. Trustor shall fully cooperate with Lender in all matters relating to the condemnation action. All amounts awarded to Trustor in such action are hereby assigned to Lender and shall be applied to all sums secured by this Deed of Trust, whether or not then due, in such order as Lender in its sole discretion determines, with the excess, if any, paid to Trustor.

**12. Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds shall be paid to Lender and be disbursed by Lender in one or more disbursements for the restoration or repair of the Property, if restoration or

repair is economically feasible and Lender's security is not lessened. Lender shall not be required to pay any interest on such Miscellaneous Proceeds. If restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to any sums secured by this Deed of Trust, whether or not then due, in such order as Lender in its sole discretion determines, with the excess, if any, paid to Trustor. Trustor hereby assigns all Miscellaneous Proceeds to Lender and appoints Lender as its attorney-in-fact to file, negotiate, and settle any claim relating to Miscellaneous Proceeds. Trustor shall promptly execute all documents and instruments that Lender may require with respect to any Miscellaneous Proceeds.

**13. Waivers; Amendments; Notice of Grievance.** Trustor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law that would prevent Lender from bringing any action against Trustor, including a claim for a deficiency. Lender shall not be deemed to have waived any rights hereunder unless such waiver is in a writing signed by Lender. No extension of the time for payment, delay, or omission by Lender in exercising any right shall operate to release such right. No prior waiver by Lender, nor any course of dealing, shall constitute a waiver of any of Lender's rights hereunder. This Deed of Trust may only be amended by a writing signed by Trustor and Lender. Trustor may not commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from Lender's actions under this Deed of Trust or that alleges that Lender has breached any provision of this Deed of Trust until Trustor shall have first notified Lender in writing of such alleged breach and afforded Lender a reasonable time to take corrective action.

**14. Obligations of Trustor.** Any Trustor who signs this Deed of Trust but does not execute the Note is signing this Deed of Trust only to encumber, grant and convey Trustor's interest in the Property under the terms of this Deed of Trust and is not personally obligated to pay the Note. Notwithstanding the foregoing, Trustor shall be jointly and severally liable with Borrower for all Loan Charges incurred by Lender in connection with the Property, which Loan Charges, together with interest accruing thereon at the Note rate from the date of disbursement, shall be secured by this Deed of Trust and shall be paid upon demand by Lender. Trustor further agrees that Lender may extend, modify, forbear or make any accommodations with regard to the terms of the Note or any sums secured by this Deed of Trust without the Trustor's consent.

**15. Loan Charges.** Trustor shall be jointly and severally liable with Borrower for all fees and costs incurred by Lender in connection with the Property or this Deed of Trust, including, but not limited to, any costs for insurance, any sums disbursed for the repair, restoration or preservation of the Property, any sums disbursed by Lender for taxes or to discharge liens and claims against the Property, Lender or Trustee's attorneys' fees, property inspection fees, and appraisal and valuation fees ("Loan Charges"). Lender may procure, at Trustor's cost and expense, at any time and from time to time, a current appraisal or other opinion of value of the Property performed by such professional as may be selected by Lender in its sole discretion. Trustor shall cooperate with and provide all information that Lender or such professional may request in connection with the appraisal or other opinion of value. Trustor shall grant access to the Property, including the interior thereof, as may be necessary to perform such appraisal or other opinion of value. The absence of express authority in this Deed of Trust to charge a specific fee to Borrower or Trustor shall not be construed as a prohibition on the charging of such fee unless expressly prohibited by Applicable Law. Loan Charges shall be payable upon demand, shall be secured by this Deed of Trust, and shall bear interest at the Note rate from the date of expenditure by Lender.

If the Note is subject to a law which sets maximum loan charges and that law is finally interpreted so that the interest or Loan Charges collected or to be collected in connection with the Note exceed the permitted limits, then any such interest or Loan Charges shall be reduced by the amount necessary to reduce the charge to the permitted limit and any sums already collected on the Note which exceeded permitted limits will be refunded to the Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge. Borrower's acceptance of any such refund shall constitute a waiver of any claim or cause of action that Borrower might have against Lender arising out of such overcharge.

**16. Escrow for Lender Expenses.** At the option of Lender, Trustor shall pay to Lender on the date that any payment is due under the Note an amount sufficient to pay all Loan Charges and any other costs as deemed appropriate by Lender in Lender's sole discretion ("Escrows"). Any Escrows required to be paid hereunder shall be in addition to the periodic payments due under the Note. In the event of default, Lender may apply any Escrows held by Lender to the Note or to any other obligation secured by this Deed of Trust at Lender's discretion. Lender shall periodically review the adequacy of the Escrows and make appropriate adjustments to the Escrows in accordance with Applicable Law.

**17. Notices.** All notices given in connection with this Deed of Trust must be in writing. Notice to any one Borrower or Trustor shall constitute notice to all Borrowers or Trustor. Any notice to Borrower or Trustor shall be deemed effective when mailed by first class mail, when delivered to the address for Borrower or Trustor as set forth herein, or when transmitted in accordance with Applicable Law. Borrower and Trustor shall give prompt written notice to Lender of any change in Borrower's or Trustor's address. Any notice to Lender shall be delivered or mailed to Lender's address stated herein unless Lender has designated another address, in writing. Any notice to Lender shall not be deemed effective until received by Lender.

**18. Copy of Deed of Trust.** By executing this Deed of Trust, Trustor acknowledges that Trustor has received a true and correct copy of this Deed of Trust and that Trustor has carefully reviewed the same and fully understands and agrees to be bound by the terms hereof.

**19. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any Interest in the Property is sold or transferred, or if Trustor is not a natural person and a beneficial interest in Trustor is sold or transferred, without Lender's prior written consent, Lender may demand the immediate payment in full of the Note and all sums secured by this Deed of Trust.

**20. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Deed of Trust) can be sold one or more times without prior notice to Borrower or Trustor. A sale might result in a change in the Loan Servicer that collects Periodic Payments and performs other loan servicing functions. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made, and any other information Applicable Law requires in connection with a transfer of servicing.

**21. Hazardous Substances.** Trustor shall not permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Trustor shall not do, nor allow anyone else to do, anything affecting the Property: (a) that is in violation of any Environmental Law; (b) which creates an Environmental Condition; or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. Trustor shall promptly give Lender written notice of: (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Trustor has actual knowledge; (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance; and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Trustor learns, or is notified that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law. Lender shall not be responsible for an Environmental Cleanup.

**22. Default.** The occurrence of any one or more of the following constitutes a default hereunder and under any other Loan or obligation owing to Lender: (a) Borrower shall fail to pay any amount when due to Lender; (b) Borrower, Trustor, or any guarantor breaches or fails to keep any promise, term, condition or commitment to Lender; (c) Borrower uses the loan proceeds for other than the purpose of the loan; (d) Borrower, Trustor, or any guarantor dies or becomes incompetent, becomes insolvent, is the subject of a receivership or insolvency proceeding, or declares bankruptcy or is the subject of an involuntary petition in bankruptcy; (e) a material adverse change occurs in Borrower, Trustor, or any guarantor's financial condition; (f) Borrower, Trustor, or any guarantor dissolves or otherwise loses its authority to conduct business; (g) any representation, warranty, certificate, schedule or other information made or furnished by Borrower, Trustor, or any guarantor to Lender is or becomes false, inaccurate or incomplete in any material respect; (h) Borrower, Trustor, or any other party pledging the Property or collateral to Lender causes or permits any unauthorized lien, pledge, sale, transfer, or other disposition of the Property or such other collateral; (i) there is a loss, theft, disappearance, damage or destruction to all or any portion of the Property for which there is insufficient or no insurance coverage; (j) a judgment is entered against Borrower, Trustor, or any guarantor; (k) Lender reasonably believes that the prospect of payment or the performance of any obligation is impaired; or (l) Lender in good faith deems itself insecure.

**23. Right to Cure.** If a default has occurred, Lender may immediately exercise the rights and remedies set forth in Section 24 hereof, including, but not limited to, the filing of record with the applicable public recording office of a notice of default in such form as is required by Applicable Law (the "Notice of Default"). Trustor may cure the default only as permitted by Applicable Law, in which case Trustor shall: (a) pay all expenses incurred by Lender in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, Loan Charges, and Lender's other costs and fees; and (b) take such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Deed of Trust shall continue unchanged. Upon cure and reinstatement, as is determined by Lender in its sole discretion, this Deed of Trust and obligations secured hereby shall remain fully effective as if no default had occurred.

**24. Rights and Remedies on Default.** If a default has occurred, Lender may declare the Note and all obligations secured by this Deed of Trust to be immediately due and payable and the same shall become immediately due and payable without further demand or notice of any kind. Thereafter, Lender may do one or more of the following: (a) take possession of the Property, either in person or by a receiver appointed by a court and without regard to the adequacy of its security, and thereafter do all acts which Lender believes are necessary to preserve the value of and to protect the Property; (b) collect all rents from the Property; provided, however, that the collection of rents and application of the same to the obligations secured hereby shall not cure any defaults thereunder; (c) commence an action to foreclose this Deed of Trust as a Mortgage; (d) exercise Lender's rights as a secured party under the Uniform Commercial Code against all personal property in which Trustor has granted to Lender a security interest; (e) exercise the power of sale contained herein; or (f) exercise any other right or remedy that Lender has under any other document, instrument, or under Applicable Law. Regardless of the remedy selected or exercised by Lender, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided herein, including, but not limited to, reasonable attorneys' fees and costs. No remedy conferred upon Lender is intended to be exclusive of any other remedy provided herein. Every remedy set forth herein or under the Note or under any other obligation secured hereby or in any instrument executed in connection herewith may be exercised concurrently or independently, from time to time, and as often as Lender may deem reasonable or necessary. Nothing in this Deed of Trust shall be construed as prohibiting Lender from seeking a deficiency against any person liable for the payment of the Note or any other obligation secured hereby.

**25. Foreclosure by Power of Sale.** If Lender elects to exercise the power of sale contained herein, the Trustee shall cause to be recorded and delivered to Trustor a Notice of Default as required by Applicable Law. If the default is not cured within the time permitted by Applicable Law, Trustee shall give public Notice of Sale to the Trustor in the manner prescribed by Applicable Law. Thereafter Trustee 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 and under any additional or different terms as are announced at the public auction. The Property may be sold in one or more parcels and in any order that Trustee, in its sole discretion, deems appropriate. The Trustee may postpone the sale of all or any parcel of the Property by public announcement at the time and place of the public auction. Lender or its designee may purchase the Property. Upon receipt of the price bid, Trustee shall deliver to the purchaser a Trustee's deed conveying the Property sold at the public auction. 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 the sale in the

Nebraska

following order: (a) to all costs and expenses of exercising the power of sale, and of the sale, including, but not limited to, the payment of the Trustee's fees actually incurred, title search, title commitment or abstracting costs, recording costs, property inspection costs, appraisal or valuation costs, and reasonable attorneys' fees as permitted by Applicable Law; (b) to the Note or any other obligation secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

**26. Assignment of Rents.** Trustor assigns to Lender and grants to Lender a security interest in all leases and rents arising from or related to the Property. Until a default, Trustor shall be entitled to collect and use the rents and profits from the Property. Upon a default Trustor shall: (a) cease collecting the rents and profits from the Property; (b) direct the tenant(s) to pay all such rents and profits to Lender; and (c) immediately deliver to Lender the original lease(s) together with all keys to and security deposits for the Property. In the event that Trustor shall receive any rents following the occurrence of a default, such rents shall be segregated and held in trust for the benefit of Lender and Trustor shall immediately deliver such rents to Lender. Upon a default, Lender shall be entitled to: (a) notify any tenant to pay all rents directly to Lender; (b) collect all rents and apply the same to the obligations secured hereby; (c) lease, re-lease, sub-lease or manage the Property; (d) otherwise act to enforce any lease or rental agreement on the Property and bring actions in the name of Trustor to enforce the terms of any lease, rental agreement of other right assigned hereunder; (e) seek the appointment of a receiver to take possession of and manage the Property and to collect the rents and profits therefrom; and (f) take any and all actions that Lender deems necessary or prudent to secure and maintain the Property. Trustor hereby consents to the entry of an order appointing a receiver for the Property without regard to whether there is any equity in the Property. To the extent permitted by Applicable Law, Trustor hereby indemnifies and agrees to hold Lender harmless from any and all claims, liabilities, costs and expenses arising from or related to lease or rental of the Property or any injuries thereupon.

**27. Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to re-convey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

**28. Substitute Trustee.** Lender, at its option, may from time to time remove Trustee and appoint a successor trustee pursuant to Applicable Law. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

**29. Request for Notices.** Trustor requests that copies of the Notice of Default and Notice of Sale be sent to Trustor's address as set forth above or as later designated, in writing, by Trustor.

**30. Definitions.** The following capitalized words and terms shall have the following meanings when used in this Deed of Trust:

**"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances, administrative rules and judicial opinions of the jurisdiction in which Lender is located.

**"Borrower"** means Zan It, L.L.C. and Jeffery J. Fredrick

and all other persons and entities signing the Note.

**"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

**"Environmental Cleanup"** includes any response action, remedial action, or removal action, as defined in Environmental Law.

**"Environmental Condition"** means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

**"Environmental Law"** means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**"Hazardous Substances"** are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

**"Interest in the Property"** means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title at a future date to a third party.

**"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Deed of Trust, plus interest.

**"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party, other than insurance proceeds, including compensation for damage to, or destruction of, the Property; condemnation or other taking of all or any part of the Property; conveyance in lieu of condemnation; or misrepresentations of, or omissions as to, the value and/or condition of the Property.

**"Note"** means the promissory note dated February 26, 2015 in the original principal amount of \$ 157,000.00 from Borrower to Lender together with all renewals, extensions, modifications and refinancings of the Note and all substitutions for or consolidations of the Note.

**"Periodic Payment"** means the regularly scheduled installment payment due for principal and interest under the Note.

**"Property"** means the property that is described under the heading "Transfer of Rights in the Property" together with all other interests in and improvements to the Property, whether now owned or hereafter acquired.

"Successor in Interest of Trustor" means any party that has taken title to the Property, whether or not that party has assumed the obligations owing under the Note and this Deed of Trust.

"Trustor" means each person who has signed this Deed of Trust.

31. **Further Assurances.** Each party shall provide to the other parties on a prompt and timely basis any additional information and execute such other documents reasonably requested to effect the terms hereof.

32. **Successor and Assigns.** This Deed of Trust and all terms, conditions and obligations herein shall apply to and inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, personal representatives, successors and assigns.

BY SIGNING BELOW, Trustor accepts and agrees to the terms and covenants contained in this Deed of Trust.  
Zan It L.L.C.

By: Jeffrey J. Fredrick, Member Jeffrey J. Fredrick

By: Amy S. Fredrick

By: \_\_\_\_\_

By: \_\_\_\_\_

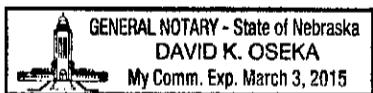
STATE OF Nebraska )  
) ss:  
COUNTY OF Lancaster )

I, David K. Oseka, a Notary Public in and for said county and state, do hereby certify that Jeffrey J. Fredrick, Member of Zan It L.L.C. a Nebraska Limited Liability Company and Jeffrey J. Fredrick and Amy S. Fredrick, husband and wife

appeared before me and acknowledged the foregoing instrument on this 26th day of February, 2015.

Witness my hand and seal this 26th day of February, 2015.

My Commission Expires: 03/03/2015



David K. Oseka (Seal)  
David K. Oseka

This instrument was prepared by: **David K. Oseka**  
**Lincoln Federal Savings Bank of Nebraska**  
**1101 N Street**  
**Lincoln, NE 68508**