

FILED

WAIVER AND DISCLAIMER OF HOMESTEAD RIGHTS

(Attachment to Trust Deed with Power of Sale)

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CHARLOTTE L. PETERSEN

The undersigned, as Trustor (Borrower) in a certain Trust Deed ~~with Washington County, Nebraska~~ (herein called Trust Deed) to be executed immediately following the execution of the Trust Deed, which Trust Deed is identified as follows:

DATE: September 4, 2001

TRUSTOR: ROSS H. RASMUSSEN
ALICE W. RASMUSSEN
2116 Nye Drive
Fremont, NE 68025

TRUSTEE: JANET L. KROTTER CHVALA
STROPE, KROTTER & GOTSCHALL, P.C.
P.O. Box 858
O'Neil, NE 68763

BENEFICIARY: NU-DWARF FARMS, INC.
145 S. 56th Rd.
Nebraska City, NE 68410-6888

CONSIDERATION: \$240,000.00

waives and disclaims as follows:

1. The undersigned understands as Trustor the undersigned may have a right to claim the real estate described in the Trust Deed, or a part thereof (hereinafter called security), as homestead, or at some time in the future may designate the security or a part thereof as homestead. The undersigned hereby waives any right to make a designation of homestead in the security or any part thereof, and disclaims designation of homestead in the security or any part thereof, and disclaims any right to make a designation of homestead in the future in the security or any part thereof so long as the Trust Deed remains a lien on the security.
2. The undersigned understands that by signing this document he will not have rights which would otherwise be available to him which may allow him to retain homestead in the event that he defaults in the performance of the terms and provisions of the Trust Deed.
3. Signing this document is the undersigned's voluntary act and deed, and is intended to be a written, knowing, and voluntary waiver of any right that he may have at this time to a homestead in the security or any part thereof, and is a voluntary disclaimer of any right which he may have in the future to designate the security or any part thereof as homestead, all as provided by the Nebraska Farm Homestead Protection Act.
4. The undersigned further acknowledges that he has read and signed this document prior to the signing of the Trust Deed above-identified, and understands and intends that this document may be filed as a preface to the Trust Deed above-identified, all of which will be filed in the Mortgage Records of the Holt County Clerk.

Recorded _____
 General _____
 Numerical _____
 Photostat _____
 Proofed _____

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20015090
 STATE OF NEBRASKA COUNTY OF WASHINGTON JSS
 ENTERED IN NUMERICAL INDEX AND FILED FOR RECORD
 THIS 2nd DAY OF November A.D. 20 01
 AT 9:39 O'CLOCK A M AND RECORDED IN BOOK
347 AT PAGE 148-157
 COUNTY CLERK Charlotte L. Petersen
 DEPUTY Karen Madson

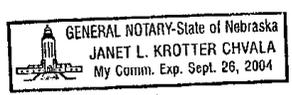
- 5. The waiver and disclaimer of the undersigned contained herein is limited to the transaction identified in the Trust Deed and the indebtedness for which the Trust Deed secures payment and any renewals or extensions thereof, and terminates upon satisfaction of the debt and release of the lien created by the Trust Deed.

Ross H. Rasmussen
ROSS H. RASMUSSEN, Trustor

Alice W. Rasmussen
ALICE W. RASMUSSEN, Trustor

STATE OF NEBRASKA)
COUNTY OF Madison) ss.

The foregoing instrument was acknowledged before me this 4th day of September 2001, by ROSS H. RASMUSSEN and ALICE W. RASMUSSEN, Husband and Wife, Trustors.



Janet L. Krotter Chvala
Notary Public

TRUST DEED
WITH POWER OF SALE

This Trust Deed made September 4, 2001, by and among the following:

TRUSTOR:	ROSS H. RASMUSSEN ALICE W. RASMUSSEN 2116 Nye Drive Fremont, NE 68025
TRUSTEE:	JANET L. KROTTER CHVALA STROPE, KROTTER & GOTSCHALL, P.C. P.O. Box 858 O'Neill, NE 68763
BENEFICIARY:	NU-DWARF FARMS, INC. 145 S. 56 th Rd. Nebraska City, NE 68410-6888
CONSIDERATION:	\$240,000.00

Trustor, in consideration of the sum of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000.00), receipt of which is hereby acknowledged, conveys to Trustee, in trust, with power of sale, the following described real estate (as defined in Neb. Rev. Stat. §76-201):

Washington County, Nebraska:

See Exhibit "A" attached hereto and incorporated by reference herein.

THIS IS A PURCHASE MONEY TRUST DEED

All of the foregoing is referred to in this Trust Deed as the "Property".

Trustor covenants that Trustor is lawfully seized of such Property and that it is free from encumbrance, subject, however, to patent reservations, existing roads, any outstanding oil and gas or other mineral leases, and to existing easements of use or of record; that Trustor has legal power and lawful authority to execute this Trust Deed; and Trustor warrants and will defend title to the Property against the lawful claims of all persons.

Trustor and Beneficiary covenant and agree as follows:

1. Payment of Note. Trustor shall promptly pay when due the principal of land interest on the debt evidenced by the Trust Deed and Note of even date herewith, the last installment of which is due March 15, 2002, together with all sums advanced by Beneficiary to protect the Property, with interest thereon at the default rate provided in the Note.
2. Taxes and Assessments. Trustor will pay all real estate taxes levied on the Property, including any tax levied on the debt secured hereby, when they become due and before they become delinquent.
3. Insurance. Trustor shall maintain hazard insurance, at least on eighty percent (80%) fire and extended coverage on the replacement value of the improvements on the premises, or its equivalent, with mortgage clause

providing loss payable to the parties as their respective interests may appear on and after this date, until such time as the entire purchase price is paid in full. In case of loss under any such policy, Beneficiary is authorized to adjust, collect and compromise all claims thereunder and shall have the option of applying all or part of the insurance proceeds, (i) to any indebtedness secured hereby in such order as Beneficiary may determine, (ii) to the Trustor to be used for the repair or restoration of the property, or (iii) for any other purpose or object appropriate under this Trust Deed as determined by Beneficiary without affecting the lien of this Trust Deed for the full amount secured hereby before such payment occurred. Any application of proceeds to indebtedness shall not extend or postpone the due date of any payments under the Trust Deed note, or cure any default under such Trust Deed note or this Trust Deed. Trustor shall furnish Beneficiary a certificate of insurance coverage at Beneficiary's request, with a provision in such certificate that the insurer shall provide Beneficiary ten (10) days advance notice of any cancellation of the policy at any time for any reason, or of expiration of the policy without renewal thereof.

4. Environmental Compliance. Trustor shall comply with all federal, state and local environmental laws, ordinances, rules, requirements, regulations and publications as now existing or hereafter existing, amended, supplemented or supplanted relating to the preservation of the environment or the regulation or control of toxic or hazardous substances or materials. Trustor hereby warrants and represents to Beneficiary that there are no toxic or hazardous substances or materials on or under the Property. Trustor does hereby indemnify and hold Beneficiary harmless and any successors to Beneficiary's interest from and against any and all claims, damages, losses and liabilities arising in connection with the presence, use, disposal or transport of any substance the subject of any environmental law, regulation or control of toxic or hazardous substances or materials on, under, from or about the property. This indemnity shall survive reconveyance of the property secured by this Trust Deed.
5. Use & Preservation of Property. Trustor shall use the premises for livestock ranching, farming and for lawful purposes only; shall not substantially change the Property, allow the Property to deteriorate or commit or permit waste. Trustor shall comply with all laws and regulations applicable to the use of the Property, and shall maintain the improvements thereon in good repair.
6. Protection of Security. If Trustor fails to pay taxes or assessments, maintain insurance or maintain the Property as provided herein, Beneficiary may pay any such amounts or take steps to protect the value of the Property and the rights of Beneficiary in the Property. Any sums Beneficiary may advance for payment of any such taxes or assessments, maintenance and protection of the Property shall be secured by this Trust Deed, shall constitute a debt due from Trustor to Beneficiary, and shall bear interest from the date of disbursement until paid at the rate of sixteen percent (16%) per annum.
7. Application of Payments. All payments received by Beneficiary under the Trust Deed Note and this agreement shall be applied first to reimburse advancements made by Beneficiary for protection of security, second to interest, and the balance to principal.
8. Inspection. Beneficiary or Beneficiary's agents may make reasonable entries on the Property for the purposes of inspection.

9. Forbearance Not Waiver. Failure by Beneficiary to exercise any right to remedy available under this Trust Deed or the Promissory Note on any one default shall not waive or preclude the exercise of any right or remedy on the event of any subsequent default.
10. Eminent Domain. Should the Property or any part thereof or interest therein be taken or damaged by reason of any taking by right of eminent domain, condemnation proceeding, or in any other manner, including a deed in lieu of condemnation, or should Trustor receive any notice or any other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary. The parties shall reach mutual agreement as to the receipt of any compensation, award, or other payments or relief granted with respect to exercise of eminent domain, with any amounts which Beneficiary may receive to be applied on the unpaid principal balance of the Note in the inverse order of maturity, without any reduction in the amount of principal and interest payments.
11. Transfer of Property. Beneficiary enters into this agreement on responsibility of Trustor and on the basis of the amicable relations which have previously existed between Beneficiary and Trustor with respect to the subject premises. Should Trustor desire to sell or mortgage the subject premises or any part thereof, it shall forthwith obtain the consent of Beneficiary to such sale or mortgage while any sums remain due on the Note secured by this Trust Deed. Should Trustor sell or mortgage any part of the subject premises or any interest therein to any third party, or enter into an agreement to sell, mortgage, or create an interest in a third person in the Property without the consent of Beneficiary, other than the granting of a farm lease to a third party or the granting of an oil, gas, or other mineral lease on any part of the premises, or Trustor permit any part of the subject premises or any interest therein to become subject to a lien of any kind without the consent of Beneficiary, Beneficiary, at Beneficiary's option, can declare the entire indebtedness remaining due and unpaid secured hereby immediately due and payable, and exercise any remedies available under the provisions of this Trust Deed. This provision shall not apply to Trustor's grant of a farm lease to a third party or Trustor's grant of an oil, gas, or other mineral lease to a third party.
12. Assignment of Rents. As additional security, Trustor hereby assigns to Beneficiary the rents of the Property, provided that Trustor shall, prior to acceleration hereunder or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. On acceleration as provided hereunder or Trustor's abandonment of the Property, Beneficiary, in person or by agent or by a judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and collect the rents and products of the Property. All rents and products collected by Beneficiary or the receiver shall be applied first to payment of costs of managing the Property and collections of rents and products, including, but not limited to, receiver's fees, premiums on receiver's and applicant's bonds, and, if allowed by law, reasonable attorney's fees, and then to sums secured by this Trust Deed.
13. Mineral Interests. Trustor hereby transfers, assigns and conveys to Beneficiary all bonuses, royalties, delay rentals, rents, shut-in gas or oil well royalties and all other benefits that may from time to time become due and payable to Trustor, or its assigns, under any oil, gas or other mineral lease of any kind now existing or that may hereafter be effective on the real estate or any part thereof secured hereby. Trustor, however, shall have the right to collect and retain any such bonuses, royalties, delay rentals, shut-in gas or oil royalties, and all other benefits that may from time to time

become due and payable to Trustor prior to acceleration by Beneficiary of such balance due as provided herein or on Trustor's abandonment of the Property. All sums Beneficiary receives under this collateral assignment of mineral interests shall be applied first to reimburse Beneficiary for any sums advanced by Beneficiary for protection of security, second to accrued interest, and the balance to principal remaining unpaid. Any application of principal shall not delay the due date of any subsequent installment that should become due under this Trust Deed or the Note secured hereby. On payment in full of the Trust Deed debt and reconveyance of record to Trustor or its successors, this collateral assignment shall become inoperative and of no further force or effect.

14. Successor Trustee. Beneficiary, at Beneficiary's option, may from time to time appoint a successor Trustee by filing for record in the office of the Register of Deeds of Holt County, Nebraska, a substitution of Trustee in the form provided by Nebraska statutes. From the time the substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of the Trustee named in the Trust Deed and of any prior successor Trustee.
15. Trustee's Duties. Trustor acknowledges that:
- (a) The duties and obligations of Trustee shall be determined solely by the express provisions of this Trust Deed, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be imposed upon Trustee;
 - (b) No provision of this Trust Deed shall require Trustee to expend or risk its own funds or otherwise incur any financial obligation in the performance of any of its duties herein, or in the exercise of any of its rights or powers if it shall have grounds for believing that assurance of the repayment of such funds is uncertain;
 - (c) Trustee may consult with counsel of its own choosing and the advice of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith and in reliance upon such advice;
 - (d) Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Deed.
16. Events of Default. Any of the following events shall be deemed an event of default under this Trust Deed.
- (a) Trustor shall have failed to perform any covenant by Trustor to be performed herein; Beneficiary shall have given Trustor written notice of the failure of Trustor to perform its covenants hereunder; and Trustor shall have failed to remedy such failure to perform within thirty (30) days after such written notice from Beneficiary to Trustor of the failure of Trustor to perform;

- (b) Trustor shall have failed to pay any installment due on the Note secured hereby on or before sixty (60) days after the due date thereof; or
 - (c) Trustor shall have sold or mortgaged the Property in violation of paragraph "11. Transfer of Property" herein.
17. Acceleration upon Default, Additional Remedies. Should an event of default occur, Beneficiary may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest, or notice of any kind. Thereafter, Beneficiary may:
- (a) Either in person or by agent, with or without bringing any action or proceeding or by a receiver appointed by a court and without regard to the adequacy of security, enter upon and take possession of the Property, or any part thereof, in Beneficiary's own name or in the name of Trustee, and do any acts which Beneficiary deems necessary or desirable to preserve the value, marketability or rentability of the Property, or any part thereof, or interest therein; increase the income therefrom or protect the security hereof; and with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, if permitted, on any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof shall not cure or waive any default or notice of default hereunder, or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in the Trust Deed or Trust Deed Note, or by law on occurrence of any event of default, including the right to exercise the Power of Sale;
 - (b) Commence an action to foreclose this Trust Deed as a mortgage, to seek deficiency on the indebtedness after foreclosure, to appoint a receiver, and to otherwise specifically enforce any of the covenants or provisions hereof;
 - (c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Property to be sold under the Power of Sale contained herein, which notice Trustee shall cause to be duly filed for record in the appropriate official records of Holl County, Nebraska, all to the extent required by applicable law;
 - (d) Pay such sums as Beneficiary deems necessary to protect the Property and cure any default of the Trustor;
 - (e) Exercise all rights and remedies available to Beneficiary under the Nebraska Trust Deeds Act.

18. Foreclosure by Power of Sale. Should Beneficiary elect to foreclose by exercise of the Power of Sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Trust Deed and the Trust Deed Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.
- (a) On receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and notice of sale as then required by law and by this Trust Deed. Trustee shall, without demand on Trustor, after such time as may then be required by law and after recording of such notice of default and notice of sale, having been given as required by law, sell the Property at the time and place of sale fixed by Trustee in such notice of sale, either as a whole or in separate lots, parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, or certified or cashier's check, payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers;
- (b) As may be permitted by law, after deducting all costs, fees and expenses of Trustee and of this Trust Deed incurred in connection with any such default or sale or foreclosure, or all of them, including costs of evidence of title in connection with sale, a Trustee's fee, as provided by law, and any attorney's fees incurred by the Trustee, Trustee shall apply the proceeds of sale to payment of
- i. All sums expended under the terms hereof not then repaid with accrued interest at the default rate provided in the Note,
- ii. All other sums then secured hereby, and
- iii. The remainder, if any, to the person or persons legally entitled thereto;
- (c) Trustee may in any manner provided by law postpone sale of all or any portion of the Property.
19. Remedies Not Exclusive. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or permitted or provided by law, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law.
20. Request for Notice. Trustor hereby requests a copy of any notice of default or of notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Trust Deed.

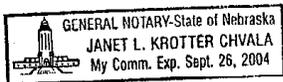
- 21. Notices. Whenever Beneficiary, Trustor, or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Trust Deed, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified mail, postage prepaid, addressed to the address set forth in the beginning of this Trust Deed, or in any request for notice, or change of address given as provided by law.
- 22. Trustee's Fee. In the event of default, unless specifically waived in writing by Trustee, Trustor agrees to pay Trustee a fee equal to fifty dollars (\$50.00), or one-half (1/2) of one percent (1%) of the entire unpaid principal sum secured, whichever is greater, subject to the limits of §76-1012, Neb. Rev. Stat., as amended.
- 23. Right to Reinstate. If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Trust Deed discontinued at any time and in the manner provided by §§76-1006 and 76-1012, Neb. Rev. Stat., as now or hereafter amended.
- 24. Reconveyance. On satisfaction of all of Trustor's obligations under this Trust Deed and the Trust Deed Note, and on written request of Beneficiary stating that all sums secured hereby have been paid, and on surrender of this Trust Deed and the Trust Deed Note to Trustee for cancellation, Trustee shall reconvey to Trustor or the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in any such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

Ross H. Rasmussen
 ROSS H. RASMUSSEN, Trustor

Alice W. Rasmussen
 ALICE W. RASMUSSEN, Trustor

STATE OF NEBRASKA)
) ss.
 COUNTY OF Madison)

The foregoing instrument was acknowledged before me this 4th day of September, 2001, by ROSS H. RASMUSSEN and ALICE W. RASMUSSEN, Husband and Wife, Trustors.



Janet L. Krotter Chvala
 Notary Public

EXHIBIT "A"

Tax Lots 24 and 26, in Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska;

Tax Lot 25 in Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska;

The West Half of the Northwest Quarter and Tax Lots 15 and 18 in Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska;

Tax Lot 18, in Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska;

A strip of land 100 feet in width extending over and across the Southwest Quarter of Section 35, Township 18 North, Range 12, East of the 6th P.M., Washington County, Nebraska, said strip of land being 50 feet in width on each side of the centerline of the main track (now removed) of the Omaha and North Western Railroad Company (also known as the "Chicago, St. Paul, Minneapolis and Omaha Railway Company", the "Chicago and North Western Transportation Company", and the "Chicago and North Western Railroad Company"), as said main track centerline which was originally located and established over and across said Section 35. This strip of land is the 100-foot wide strip lying immediately adjacent on the North to U.S. Highway No. 75 as it traverses the Southwest Quarter of said Section 35, Township 18 North, Range 12 East, and is designated on the records of the County Clerk of Washington County, Nebraska, as "Tax Lot 25" in Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska; and

A strip of land extending over and across the Southwest Quarter of Section 35, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska, said strip of land located Southwest of and abutting Parcel A described above and extends from the West line of the Southwest Quarter of Section 35 in a Southeasterly direction Northeast of, parallel to, and abutting Parcel B described above to the Southerly line of Parcel A described above, located in the Southwest Quarter of Section 35, Township 18 North, Range 12, East of the 6th P.M., Washington County, Nebraska.