



BK 7882 PG 277-283

RICHARD N. TALEGA  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE



MT6 2002 49531

2002 DEC 27 PM 3:02

RECEIVED

State of Nebraska \_\_\_\_\_ Space Above This Line For Recording Data \_\_\_\_\_

**REAL ESTATE DEED OF TRUST**

(With Future Advance Clause)

Construction Security Agreement

Master form recorded by .....

OCTOBER 17, 2002

1. **DATE AND PARTIES.** The date of this Deed of Trust (Security Instrument) is \_\_\_\_\_ and the parties, their addresses and tax identification numbers, if required, are as follows:

TRUSTOR:

KENNETH JAMES HAGEN, JR AND JULIE ANN HAGEN,  
HUSBAND AND WIFE

If checked, refer to the attached Addendum incorporated herein, for additional Trustors, their signatures and acknowledgments.

TRUSTEE:

MARK C. QUANDAHL, ATTORNEY AT LAW  
6910 PACIFIC STREET, SUITE 200  
OMAHA, NE 68106

BENEFICIARY:

METRO HEALTH SERVICES FCU  
11102 EMMET STREET  
OMAHA, NE 68164-2917

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Trustor's performance under this Security Instrument, Trustor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Beneficiary, with power of sale, the following described property:

SEE ATTACHED LEGAL DESCRIPTION

My FEE 375 FB 01-2000  
BKP 10-15-1610 COMP  
DEL SCAN BSV

DOUGLAS

The property is located in \_\_\_\_\_ at \_\_\_\_\_  
3305 N 168<sup>TH</sup> STREET (City) \_\_\_\_\_, Nebraska \_\_\_\_\_, 68116 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$ \_\_\_\_\_ This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Beneficiary's security and to perform any of the covenants contained in this Security Instrument.

4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

11/15/02  
15051

METRI

- B. All future advances from Beneficiary to Trustor or other future obligations of Trustor to Beneficiary under any promissory note, contract, guaranty, or other evidence of debt executed by Trustor in favor of Beneficiary after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Trustor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Trustor, or any one or more Trustor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All obligations Trustor owes to Beneficiary, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Trustor and Beneficiary.
- D. All additional sums advanced and expenses incurred by Beneficiary for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Beneficiary under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Beneficiary fails to give any required notice of the right of rescission.

5. **PAYMENTS.** Trustor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
6. **WARRANTY OF TITLE.** Trustor warrants that Trustor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, convey, and sell the Property to Trustee, in trust, with power of sale. Trustor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Trustor agrees:
- A. To make all payments when due and to perform or comply with all covenants.
  - B. To promptly deliver to Beneficiary any notices that Trustor receives from the holder.
  - C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Beneficiary's prior written consent.
8. **CLAIMS AGAINST TITLE.** Trustor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Beneficiary may require Trustor to provide to Beneficiary copies of all notices that such amounts are due and the receipts evidencing Trustor's payment. Trustor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Trustor agrees to assign to Beneficiary, as requested by Beneficiary, any rights, claims or defenses Trustor may have against parties who supply labor or materials to maintain or improve the Property.
9. **DUE ON SALE OR ENCUMBRANCE.** Beneficiary may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
10. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Trustor will keep the Property in good condition and make all repairs that are reasonably necessary. Trustor shall not commit or allow any waste, impairment, or deterioration of the Property. Trustor will keep the Property free of noxious weeds and grasses. Trustor agrees that the nature of the occupancy and use will not substantially change without Beneficiary's prior written consent. Trustor will not permit any change in any license, restrictive covenant or easement without Beneficiary's prior written consent. Trustor will notify Beneficiary of all demands, proceedings, claims, and actions against Trustor, and of any loss or damage to the Property.
- Beneficiary or Beneficiary's agents may, at Beneficiary's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Beneficiary shall give Trustor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Beneficiary's benefit and Trustor will in no way rely on Beneficiary's inspection.
11. **AUTHORITY TO PERFORM.** If Trustor fails to perform any duty or any of the covenants contained in this Security Instrument, Beneficiary may, without notice, perform or cause them to be performed. Trustor appoints Beneficiary as attorney in fact to sign Trustor's name or pay any amount necessary for performance. Beneficiary's right to perform for Trustor shall not create an obligation to perform, and Beneficiary's failure to perform will not preclude Beneficiary from exercising any of Beneficiary's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Beneficiary may take all steps necessary to protect Beneficiary's security interest in the Property, including completion of the construction.
12. **ASSIGNMENT OF LEASES AND RENTS.** Trustor irrevocably assigns, grants and conveys, to Trustee, in trust for the benefit of Beneficiary as additional security all the right, title and interest in the following (all referred to as Property): existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases); and rents, issues and profits (all referred to as Rents). In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Trustor will promptly provide Beneficiary with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Trustor may collect, receive, enjoy and use the Rents so long as Trustor is not in default.
- Upon default, Trustor will receive any Rents in trust for Beneficiary and will not commingle the Rents with any other funds. Trustor agrees that this Security Instrument is immediately effective between Trustor and Beneficiary and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Trustor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants.
13. **LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Trustor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Trustor will perform all of Trustor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

7

14. **DEFAULT.** Trustor will be in default if any party obligated on the Secured Debt fails to make payment when due. Trustor will be in default if a breach occurs under the terms of this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt. A good faith belief by Beneficiary that Beneficiary at any time is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment or the value of the Property is impaired shall also constitute an event of default.

15. **REMEDIES ON DEFAULT.** In some instances, federal and state law will require Beneficiary to provide Trustor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Beneficiary may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Trustor is in default. At the option of Beneficiary, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Beneficiary shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents, including without limitation, the power to sell the Property.

If there is a default, Trustee shall, in addition to any other permitted remedy, at the request of the Beneficiary, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash and convey absolute title free and clear of all right, title and interest of Trustor at such time and place as Trustee designates. Trustee shall give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by the applicable law in effect at the time of the proposed sale.

Upon sale of the Property and to the extent not prohibited by law, Trustee shall make and deliver a deed to the Property sold which conveys absolute title to the purchaser, and after first paying all fees, charges and costs, shall pay to Beneficiary all moneys advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Secured Debt, paying the surplus, if any, to Trustor. Beneficiary may purchase the Property. The recitals in any deed of conveyance shall be prima facie evidence of the facts set forth therein. All remedies are distinct, cumulative and not exclusive, and the Beneficiary is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Beneficiary of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Beneficiary's right to require complete cure of any existing default. By not exercising any remedy on Trustor's default, Beneficiary does not waive Beneficiary's right to later consider the event a default if it continues or happens again.

16. **EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** Except when prohibited by law, Trustor agrees to pay all of Beneficiary's expenses if Trustor breaches any covenant in this Security Instrument. Trustor will also pay on demand any amount incurred by Beneficiary for insuring, inspecting, preserving or otherwise protecting the Property and Beneficiary's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Trustor agrees to pay all costs and expenses incurred by Beneficiary in collecting, enforcing or protecting Beneficiary's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Trustor agrees to pay for any recordation costs of such release.

17. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law. Trustor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Beneficiary, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Beneficiary, Trustor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Trustor shall immediately notify Beneficiary if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Trustor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Trustor shall immediately notify Beneficiary in writing as soon as Trustor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

18. **CONDEMNATION.** Trustor will give Beneficiary prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Trustor authorizes Beneficiary to intervene in Trustor's name in any of the above described actions or claims. Trustor assigns to Beneficiary the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

19. **INSURANCE.** Trustor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires. What Beneficiary requires pursuant to the preceding sentence can change during the term of the loan. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval, which shall not be unreasonably withheld. If Trustor fails to maintain the coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Trustor shall immediately notify Beneficiary of cancellation or termination of the insurance. Beneficiary shall have the right to hold the policies and renewals. If Beneficiary requires, Trustor shall immediately give to Beneficiary all receipts of paid premiums and renewal notices. Upon loss, Trustor shall give immediate notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made immediately by Trustor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Beneficiary's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Trustor. If the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Beneficiary to the extent of the Secured Debt immediately before the acquisition.

20. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Trustor will not be required to pay to Beneficiary funds for taxes and insurance in escrow.
21. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Trustor will provide to Beneficiary upon request, any financial statement or information Beneficiary may deem reasonably necessary. Trustor agrees to sign, deliver, and file any additional documents or certifications that Beneficiary may consider necessary to perfect, continue, and preserve Trustor's obligations under this Security Instrument and Beneficiary's lien status on the Property.
22. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Trustor signs this Security Instrument but does not sign an evidence of debt, Trustor does so only to mortgage Trustor's interest in the Property to secure payment of the Secured Debt and Trustor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Beneficiary and Trustor, Trustor agrees to waive any rights that may prevent Beneficiary from bringing any action or claim against Trustor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Trustor agrees that Beneficiary and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Trustor's consent. Such a change will not release Trustor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Trustor and Beneficiary.
23. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Beneficiary is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
24. **SUCCESSOR TRUSTEE.** Beneficiary, at Beneficiary's option, may from time to time remove Trustee and appoint a successor trustee without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.
25. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one trustor will be deemed to be notice to all trustors.
26. **WAIVERS.** Except to the extent prohibited by law, Trustor waives all appraisal and homestead exemption rights relating to the Property.
27. **OTHER TERMS.** If checked, the following are applicable to this Security Instrument:  
 **Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.  
 **Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.  
 **Fixture Filing.** Trustor grants to Beneficiary a security interest in all goods that Trustor owns now or in the future and that are or will become fixtures related to the Property. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed for record for purposes of Article 9 of the Uniform Commercial Code.  
 **Riders.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument. [Check all applicable boxes]  
 Condominium Rider  Planned Unit Development Rider  Other .....

**SIGNATURES:** By signing below, Trustor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Trustor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

(Signature) Kenneth James Hagen, Jr 10/17/02 (Date) Julie Ann Hagen 10/17/02 (Date)  
(Signature) Julie Ann Hagen (Date) Julie Ann Hagen

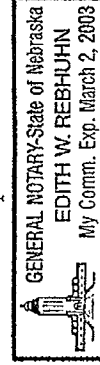
**ACKNOWLEDGMENT:**

STATE OF Nebraska, COUNTY OF Douglas

(Individual) This instrument was acknowledged before me this 17th day of October, 2002 } ss.

by Kenneth James Hagen, Jr and Julie Ann Hagen

My commission expires:



Kenneth James Hagen, Jr  
Julie Ann Hagen  
3305 N 168th St  
Omaha, NE 68116  
Borrower's Name and Address  
"You" means each borrower above, jointly and severally.

METRO HEALTH SERVICES F.C.U.  
11102 EMMET STREET  
OMAHA, NEBRASKA 68164

Credit Union's Name and Address  
"We" or "us" means the Credit Union named above.

No. <u>HEL-474</u>	Maturity Date <u>October 20, 2017</u>
Date <u>October 17, 2002</u>	Blitting Cycle: Ends <u>on the last day</u>
Trans. Acct. # <u>3710-38</u>	of every <u>month</u>
Line of Credit \$ <u>100,000.00</u>	Payment Date <u>the 20th day</u>
Triggering Balance \$	of every <u>month</u>
Initial Advance \$	
Minimum Advance \$ <u>500.00</u>	
Minimum Balance \$	
Draw Period <u>120 months</u>	
Repayment Period <u>60 months</u>	

#### HOME-A-LOAN II

**GENERALLY:** This is an agreement about your home equity line of credit. Many of the terms we use in this agreement have special meanings. The term "loan account balance" means the sum of the unpaid principal of loans made under this plan, plus unpaid but earned finance charges, plus any credit insurance premiums that are due. "Transaction Account" means an account you carry with us. The number of this account is listed at the top of the form on the line labeled "Trans. Acct. #." "Line of Credit" means the maximum amount of principal we will ordinarily allow you to owe us under this plan at any time. "Triggering Balance" is the amount you must keep in your transaction account to prevent us from lending you money under this plan.

In addition, we will use the following terms for this home equity plan: "Initial Advance" means the amount of money we will require you to accept as an advance to open the plan. "Minimum Advance" means the smallest amount of money we will advance to you at your request. The "Minimum Balance" is the amount of principal of loans we will require you to maintain outstanding during the plan. If the principal balance outstanding falls below the minimum balance, you may have to pay a fee, described below.

The "Draw Period" is the time during the plan that you may request advances and will make payments on your loan account balance. The "Repayment Period" is the time during the plan that you must repay your loan account balance but may not request further advances. Except where otherwise indicated, the regulatory disclosures contained in this agreement apply to both the draw and repayment periods.

If any term of this agreement violates any law or for some other reason is not enforceable, that term will not be part of this agreement. This agreement is subject to the laws of the state where we are located.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges under this home equity plan.

**REQUESTING A LOAN:** You request a loan under this plan by the following methods:

- You write a special signed draft or check that we have given you for this purpose.
- You request an advance in person.
- You request an advance by telephone.

**HOW THE LOAN IS ADVANCED:** When you request a loan, we will, subject to any limitations contained in this agreement, advance exactly the amount you request, so long as the requested amount equals or exceeds the minimum advance listed above. We will make the advance by depositing the amount in your transaction account, by advancing the money directly to you, or by paying a designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your loan account.

If your request is for less than the minimum advance, we may, at our option, grant the request. However, granting the request does not mean we will be required to grant requests for less than the minimum advance in the future. We always have the option to deny any such request.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than the Line of Credit listed above. We may, at our option, grant such a request without obligating ourselves to do so in the future.

**HOW FINANCE CHARGES ARE COMPUTED:** Finance charges will begin to accrue immediately when we make a loan to you. We will apply a periodic rate of FINANCE CHARGE of 0.123288% per day to the "principal balance" of your loan account. This corresponds to an ANNUAL PERCENTAGE RATE of 4.54%. The annual percentage rate includes interest and not other costs.

To figure the "principal balance" for each day, we first take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums, if any.) Then we add any new loans made that day. The final figure is the "principal balance."

**VARIABLE RATE:** The annual percentage rate may change, and will be equal to the following "base rate": the highest rate on corporate loans posted by at least 75% of the USA's 30 largest banks known as The Wall Street Journal Prime Rate and is published in The Wall Street Journal on the first day of each month. The annual percentage rate may increase if this "base rate" increases. An increase will take effect on the first day of the month. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The annual percentage rate will not increase more often than once a month. A decrease will have the opposite effect of an increase disclosed above.

If the base rate changes more frequently than the annual percentage rate, we will always use the base rate in effect on the day we adjust the annual percentage rate to determine the new annual percentage rate. In such a case, we will ignore any changes in the base rate that occur between annual percentage rate adjustments.

The "annual percentage rate" referred to in this section is the annual rate which corresponds to the periodic rate applied to the balance as described above. This corresponding ANNUAL PERCENTAGE RATE will never exceed 15%, and will never exceed the highest allowable rate for this type of agreement as determined by applicable state or federal law.

The ANNUAL PERCENTAGE RATE will never decrease below 4.75%. **\*\*4.5% Promo expires 4-1-03**

**HOW YOU REPAY YOUR LOANS:** On or before each payment date you agree to make a minimum payment. The minimum payment amount is the amount of any credit insurance premiums due and the greater of 1.4% of the principal loan balance outstanding on your account, or \$50.00.

**PRINCIPAL REDUCTION:** During the draw period the minimum payment may not fully repay the principal that is outstanding on your line.

**FINAL PAYMENT:** On the maturity date listed above, you must pay the amount of any remaining loan account balance outstanding. The minimum payments may not be sufficient to fully repay the principal that is outstanding on your line. If they are not, you will be required to pay the entire outstanding balance in a single balloon payment.

We are not obligated to refinance your loan at that time, but will consider your request to do so. If you refinance this account at maturity, you may have to pay some or all of the closing costs normally associated with a new loan even if you obtain financing from us.

**ADDITIONAL REPAYMENT TERMS:** If your loan account balance on a payment date is less than the minimum payment amount, you must pay only the loan account balance.

If you fail to make a payment, we may, but are not required to, advance money to you to make the payment. All the terms of this agreement would apply to such a loan.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic minimum payment.

The amounts you pay will be applied first to any charges you owe other than principal and finance charges, then to any finance charges that are due, and finally to principal.

**AUTOMATIC WITHDRAWAL:** If checked, you authorize us to automatically withdraw your payment from your transaction account on each payment date. If your transaction account does not have enough money in it to make the minimum payment, we may, but are not required to, lend you money to make the payment. All the terms of this agreement will apply to such a loan. If your loan account balance is less than the minimum payment amount, we will withdraw only the amount necessary to reduce your loan account balance to zero.

**SET-OFF:** You agree that we may set-off any amount due and payable under the terms of this agreement against your right to receive money from us. Your right to receive money from us includes any deposit or share account balance you have with us; any money owed to you on an item presented to us or in our possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. Any amount due and payable under the terms of this agreement means the total amount of which we are entitled to demand payment under the terms of this agreement at the time we set off.

In addition to our right of set-off, we may also have rights under a "statutory lien." A "statutory lien" means our right under state or federal law to establish a right in or claim to your shares and dividends to the extent of any outstanding financial obligations that you have with us. If we have a statutory lien and you are in default, we may without further notice, attach the statutory lien to your account and enforce it on your shares and dividends to the extent of any amount due and payable under the terms of this agreement.

We may exercise our set-off and statutory lien rights unless prohibited by applicable law. For example, our set-off and statutory lien rights do not apply to an Individual Retirement Account; other tax-deferred retirement account; or federal benefit, wage, salary and retirement payments held in an electronic transfer account (ETA). In addition, our set-off and statutory lien rights do not apply to an account or other obligation if your rights arise only in a representative capacity or if you can obtain credit under this agreement by using a credit card.

**SECURITY:** We have secured your obligations under this plan by taking a security interest by way of a separate security agreement, mortgage or other instrument dated October 17, 2002 in the following property, described by item or type:

3305 N 168th St  
Omaha, NE 68116

Property securing any other loans that you have with us may also secure this agreement.

If this agreement is secured by real property, we agree to pay any expenses involved in releasing the security interest.

You may buy property insurance from anyone you want who is acceptable to us, if you buy the insurance from or through us, your premium will be: n/a

Filing fees \$ n/a

**CHANGING THE TERMS OF THIS AGREEMENT:** Generally, we may not change the terms of this agreement. However, we may change the terms in the following circumstances:

- If this is a variable rate plan, we may change the index and margin if the original index, described above, becomes unavailable. Any new index will have a historical movement similar to the original, and, together with a new margin, will produce a similar interest rate.

- We may make changes that you have agreed to in writing.

- We may make changes that unequivocally benefit you.

- We may make changes to insignificant terms of this agreement.

- If we are required to send notice of a change in terms, we will send the notice to your address listed above. (You should inform us of any change in address.)

**ADDITIONAL CHARGES:** You agree to pay the following additional charges:

- A late charge on any payment not paid within 3 days of the payment date of 3% of the payment or \$5.00, whichever is greater.

- A charge of \$15.00 for any advance made in an amount less than the minimum advance.

- A stop payment fee of \$15.00.

- A returned check charge of \$15.00.

- An overdraft fee of \$25.00.

**NOTICE:** See the reverse side for additional terms and for information about your rights in the event of a billing error.

**SIGNATURES:** By signing below, you agree to the terms on both sides of this agreement and you promise to pay any amounts you owe under this agreement. You also state that you received a completed copy of the agreement on today's date.

Signature

Kenneth James Hagen, Jr

Signature

Paul Ann Hagen

By: Susan Riley

EX-1088 © 1988 Bankers Systems, Inc., St. Cloud, MN  
Form OCP-HE-CU-NE 32/1/2000 CMC753 Custom

#### ADDITIONAL TERMS

**DEFAULT:** You will be in default on this agreement if any of the following occur:

- (1) You engage in fraud or material misrepresentation in connection with this plan;
- (2) You fail to make a payment as required by this agreement;
- (3) Your action or inaction adversely affects the collateral or our rights in the collateral.

(2) You fail to make a payment as required by this agreement;

(3) Your action or inaction adversely affects the collateral or our rights in the collateral.

**REMEDIES:** We may terminate your account, require you to pay the entire outstanding balance in one payment and charge you a termination fee (if provided for on the other side of this agreement), and fees related to the collection of the amount owing, if you are in default in any manner described above. In that instance, we may take other action short of termination, such as charging you a fee if you fail to maintain required property insurance and we purchase insurance. We may also use our right of set-off as explained on the front of the form.

Even if we choose not to use one of our remedies when you default, we do not forfeit our right to do so if you default again, if we do not use a remedy when you default, we can still consider your actions as a default in the future.

**SUSPENSION OF CREDIT AND REDUCTION OF CREDIT LIMIT:** We may temporarily prohibit you from obtaining additional extensions of credit, or reduce your credit limit if:

- (1) The value of the dwelling securing this home equity line of credit declines significantly below its appraised value for purposes of this line;
- (2) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (3) You are in default of a material obligation of this agreement or any agreement securing this agreement, which shall include, but is not limited to, your ongoing obligation to supply us with information we feel we need to assess your financial condition;
- (4) A governmental action prevents us from imposing the annual percentage rate provided for in this agreement;
- (5) The action of a governmental body adversely affects our security interest to the extent that the value of the security interest is less than 120% of the home equity line;
- (6) The annual percentage rate corresponding to the periodic rate reaches the maximum rate allowed under this plan (if provided for on the other side of this agreement); or
- (7) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.

In the event that we suspend your right to additional advances or reduce your credit line, we will send you notice of our decision at the address listed on the front of this agreement. (You should inform us of any change in your address.) If we have based our decision to suspend or reduce your credit privileges on an assessment of your financial condition or performance under this plan, and you believe that your situation has changed, you must request that we re-evaluate your situation, and reinstate your credit privileges.

**CREDIT INFORMATION:** You agree to supply us with whatever information we reasonably feel we need to decide whether to continue this plan. We agree to make requests for this information without undue frequency, and to give you reasonable time in which to supply the information.

#### YOUR BILLING RIGHTS

##### KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

##### Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error.
- If you need more information, describe the item you are not sure about.

If you have authorized us to pay your bill automatically from your savings, checking, share draft or other account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

##### Your Rights and Our Responsibilities

###### After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you'll have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

LEGAL DESCRIPTION:

The North 5.46 acres of the South 51.58 acres of the West  $\frac{1}{4}$  of the Northwest Quarter of Section 10, Township 15 North, Range 11 East of the 6th P.M., Douglas County, Nebraska, more particularly described as follows: Commencing at the West Quarter corner of said Section 10; thence North 2°35'57" West along the West line of said Section 10 a distance of 1519.96 feet to the point of beginning; thence continuing North 2°35'57" West along the West line of said Section 10 a distance of 179.95 feet; thence North 87°42'58" East a distance of 1321.90 feet to a point on the East line of said West  $\frac{1}{4}$  of the Northwest Quarter of Section 10, said point being 1699.99 feet North of the Southeast corner of said West  $\frac{1}{4}$  of the Northwest Quarter of Section 10; thence South 2°34'30" East along the East line of said West  $\frac{1}{4}$  of the Northwest Quarter of Section 10 a distance of 179.95 feet; thence South 87°42'58" West a distance of 1321.82 feet to the point of beginning, except road right of way.