

CSL 12717

26-47

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made this 7<sup>th</sup> day of August, 1986, by and between L. C. PRICE, of Lincoln, Nebraska, and LARRY PRICE & ASSOCIATES, INC., a Nebraska corporation, hereinafter collectively called the "Debtor", and GATEWAY BANK & TRUST COMPANY, a Nebraska banking corporation, hereinafter called the "Secured Party".

W I T N E S S E T H :

WHEREAS, Debtor has borrowed from Secured Party the sum of Three Million Five Hundred Twenty-Four Thousand (\$3,524,000.00) Dollars, hereinafter called the "Loan", and has executed and delivered to Secured Party a Promissory Note, hereinafter called the "Note", dated this same date, for the principal sum of Three Million Five Hundred Twenty-Four Thousand (\$3,524,000.00) Dollars with installments thereon payable as provided therein, with interest therein expressed; and a Trust Deed of even date herewith, herein called the "Trust Deed", securing said Note and covering all right, title and interest of the Debtor in and to certain real estate described on Exhibit "A" attached hereto and incorporated herein by this reference, and the improvements now or hereafter erected thereon, hereinafter called the "Mortgaged Premises", together with all easements, rights and appurtenances thereunto belonging; and

WHEREAS, Secured Party has required, as additional security for said Loan, a first lien upon all collateral, as hereinafter defined, now owned or hereafter acquired by the Debtor and used in the operation of the Mortgaged Premises, and said Debtor desires to grant to Secured Party a first lien upon said property as additional security for said Loan.

NOW, THEREFORE, in consideration of the consummation of said Loan and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Debtor, for itself, its successors and assigns, has bargained and sold, and by these presents does grant, bargain, sell and convey unto Secured Party a security interest in the following collateral now owned or hereafter acquired by Debtor, and the proceeds thereof:

All equipment and machinery, including, but not limited to, all furniture, furnishings, fixtures, engines, furnaces, boilers, pumps, motors, generators, fans, vents, switchboards, electrical equipment, call systems, fire prevention and extinguishing apparatus, maintenance and cleaning equipment, heating plants, burners, shades, awnings, incinerators, water heaters, water softeners, air conditioners (and all other personal property either similar or dissimilar to the foregoing, used in the operation of the business located on said premises),

together with all replacements and substitutions therefor, now owned or hereafter acquired by the Debtor and located at the Mortgaged Premises, hereinafter called the "Collateral".

This Security Agreement is made for the purpose of additionally securing:

(a) The payment of the indebtedness evidenced by the Note and any and all substitutions thereof, as more particularly described in said Note.

(b) The payment of all other sums and interest thereon becoming due and payable to Secured Party under the provisions hereof or under the provisions of the Note and Trust Deed.

(c) The performance and discharge of each and every obligation, covenant and agreement of the Debtor herein, in said Note and Trust Deed and in any other securing agreement executed by the Debtor evidencing or securing the Note, or incorporated by reference in any of them, all of which agreements and instruments are incorporated herein by this reference.

(d) The repayment of all sums or amounts that are advanced or extended by Secured Party, its successors and assigns, for the maintenance or preservation of the Collateral, or any part thereof.

(e) The payment of all amounts due under all extensions or renewals, and successive extensions or renewals, of the Note or the indebtedness represented thereby, or of any other or further indebtedness at any time owing by Debtor to Secured Party, however the same may be advanced and in whatever form it may be, whether represented by notes, drafts, open accounts or otherwise, and all interest thereon, the payment of which this Agreement shall stand as continuing security until full and complete payment shall have been made. It is specifically understood and agreed that this Security Agreement will secure the payment of all obligations under that certain Promissory Note, Trust Deed and all related security documents between Borrower and the Bank dated this same date and related to the real property in Lancaster County, Nebraska known as Van Dorn Villa (the "Van Dorn Villa Obligation"), all of which documents are incorporated herein by this reference.

Debtor declares and warrants to Secured Party that Debtor is (or upon installation of the Collateral will be) the absolute owner and in possession of all of the Collateral, and

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that said property is (or upon installation of said property will be) free and clear of all prior liens, encumbrances, security interests and adverse claims, and Debtor shall and will warrant and defend the title to said property against the claims of all persons whomsoever. Without the written consent of Secured Party, Debtor will not permit any lien, encumbrance, security interest, or adverse claim to attach to the Collateral. Debtor further warrants that no financing statement covering the Collateral is on file in any public office and, at the request of Secured Party, Debtor will join Secured Party in executing one or more financing statements, in form satisfactory to Secured Party, and Debtor will pay the cost of filing in all public offices wherever filing is deemed necessary by Secured Party.

Debtor promises and agrees: To pay the principal sum of the Note, together with the interest thereon, at the time and in the manner therein provided, and to pay when due all sums secured hereby and to perform each and every covenant, condition and provision contained in this Agreement or incorporated herein by reference; to properly care for and keep the Collateral in good condition, order and repair and insured against loss and damage by fire and such other casualties as may be designated by Secured Party, by insurers and in amounts approved by Secured Party, and will assign the policies and certificates thereon to Secured Party, and, in default thereof, it shall be lawful for Secured Party to effect such insurance and the premiums paid for effecting the same, and all amounts incurred or expended by Secured Party in that regard shall be a lien upon the Collateral and added to the amount of the obligation secured by these presents, and payable upon demand, with interest at the rate provided for in the Note; (Debtor hereby assigns to Secured Party all proceeds of any insurance not exceeding the unpaid balance hereunder and directs any insurer to pay all proceeds directly to Secured Party and authorizes Secured Party to endorse any draft of the proceeds); to pay all taxes, liens or assessments of whatever kind or description that may be levied against the Collateral, or any part thereof, before the same shall by law become delinquent; to comply with and use said property in strict conformity with all laws, ordinances, regulations, and statutes applicable thereto.

Debtor shall not have the right, power or authority to and will not remove from the Mortgaged Premises any of the Collateral without the prior written consent of Secured Party; any such removal, without such consent, to be construed as a breach hereof, the same as if a default were made in the payment of any amount secured hereunder, and the entire amount then unpaid shall immediately become due and payable. If Debtor fails to make any payment or perform any act which it is obligated to perform under the provisions of this Agreement, Secured Party, without demand or notice to Debtor or any successor in interest of Debtor, may make such payment or perform such acts and incur any liability or expend whatever amounts as it may, in its absolute discretion,

deem necessary therefor, and all sums incurred or expended by Secured Party, or its successors, under the terms of this Agreement, shall immediately become due and payable by Debtor to Secured Party, or its successor in interest, when so incurred or expended and shall bear interest at the rate provided for in the Note and shall be secured hereby.

The parties recognize that after the Collateral is installed in or at the Mortgaged Premises, portions thereof may become inadequate, obsolete, worn out, unsuitable or unnecessary in the operation of the business operated thereon. Debtor shall promptly renew, repair or replace any inadequate, obsolete, worn out or unsuitable property in which this security interest is given (subject to the preceding paragraph).

Upon the occurrence of any of the following events or conditions:

(a) Default in the payment or performance of any of the obligations, or of any covenant or liability contained in the Note, Trust Deed or any of the other agreements secured hereunder or thereunder;

(b) Default in the payment or performance of any of the obligations or of any covenant or liability contained in the Van Dorn Villa Obligation;

(c) Dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency law by or against Debtor;

(d) Any default under the terms hereunder; or

(e) If Secured Party deems itself insecure,

Secured Party, its successors or assigns, may exercise any one or more of the following rights, or any combination of any of the following rights:

(a) Without notice or demand and without the necessity of having a receiver appointed and without regard to the adequacy or inadequacy of any security for the indebtedness or the solvency or insolvency of the Debtor, or any guarantor, at any time take possession of the Collateral and repair, care for, lease, or manage the said property and perform any act necessary to collect the rents, issues, income and profits thereof and apply the proceeds in the manner specified herein upon the sale of the Collateral;

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(b) Declare all sums secured hereby immediately due and payable and may exercise any or all of the rights and remedies available to a secured party under law, equity or statute, and it may, at its option, enter upon the Mortgaged Premises where said Collateral may be and take such measures as to Secured Party may be deemed necessary or proper for the care or protection thereof and remove and/or dispose of said Collateral at either public or private sale (Debtor hereby expressly waiving demand). Secured Party, its successors or assigns, may become the purchaser and, from the proceeds of sales, retain all costs and charges (including attorney's fees) incurred in the taking or sale of said Collateral and may apply the balance toward the payment of all sums due Secured Party and secured hereby and shall dispose of the surplus remaining as provided by law. Any requirement of reasonable notice of and disposition of the Collateral shall be satisfied if such notice is mailed by regular mail to the address of the Debtor shown in this Agreement at least five (5) days prior to the time of such public or private sale;

(c) Be entitled as a matter of right, in addition to the foregoing, to the appointment of a receiver by a court of competent jurisdiction to assist it in performing and doing any acts hereinabove set forth. All expenses of such receiver (including attorney's fees) shall likewise become immediately due and payable by Debtor to Secured Party, or its successors in interest, shall bear interest at the rate provided by the Note and shall be secured hereby.

The taking of possession of the Collateral and the receipt of any income provided for herein shall not cure or waive any default, or notice of default, or invalidate any act done pursuant to such notice.

Failure on the part of Secured Party to demand the entire payment after the occurrence of any default shall not be deemed a waiver by Secured Party of its rights to make immediate demand for the entire amount remaining unpaid, or to exercise any right or remedy, or combination thereof, as provided in this Agreement; and any payments made subsequent to a default, or the acceptance of partial payment, shall not be deemed a waiver of such rights. The lien of this Agreement shall continue until payment in full of the amounts secured by this Agreement have been completed.

This Agreement shall be construed to be a lien against (a) any like or similar property hereinafter acquired by Debtor, either as additions to or in the place of the Collateral subject

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to this Agreement, and whether the additions or substitutions be made with or without the knowledge or consent of Secured Party, and (b) the proceeds of such after-acquired property.

All remedies allowed Secured Party by law or by statute and by the terms of this Agreement are, and shall be, concurrent and cumulative and may be exercised and enforced as hereinabove and as by law provided, without reference to the time or manner of foreclosure or enforcement of any other security for said indebtedness or obligations, whether held by deed of trust, mortgage pledge, security agreement or otherwise.

In this Agreement, whenever the context so requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural, and the term "Secured Party" shall include any future holder, including pledgee, of the Note secured hereby.

Secured Party may, at any time or from time to time, without liability therefor and without notice, upon request of Debtor and without affecting the personal liability of any person for the payment of the indebtedness secured hereby, release any part of the Collateral or join in any extension agreement or subordination agreement in connection herewith. Secured Party shall have the right to inspect the Collateral at any time.

IN WITNESS WHEREOF, Secured Party and Debtor have caused these presents to be executed the day and year first above written.

SECURED PARTY:

DEBTOR:

GATEWAY BANK & TRUST COMPANY

LARRY PRICE & ASSOCIATES, INC.

By *Crest Leader*  
Its *HJP*

By *Larry Price*  
President

*L. C. Price*  
L. C. PRICE

Address of Secured Party:

Address of Debtor:

Post Office Box 5306  
Lincoln, NE 68505

6600 Fairfax  
Lincoln, NE 68505

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EXHIBIT "A"

Tract I

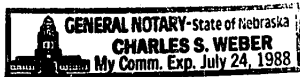
All of University Towers Condominium Property Regime, Lincoln, Lancaster County, Nebraska, consisting of the land and improvements thereon described as Lots Four (4), Five (5) and Six (6), Block Thirty-Nine (39), Lincoln, Lancaster County, Nebraska.

Tract II

Lots One (1), Two (2) and Three (3), Block Thirty-Nine (39), Lincoln, Lancaster County, Nebraska.

STATE OF NEBRASKA )  
                          ) ss  
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this  
7th day of August, 1986, by L. C. Price.



*Charles S. Weber*  
\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA )  
                          ) ss  
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this  
7th day of August, 1986, by L. C. Price, President  
of LARRY PRICE & ASSOCIATES, INC., a Nebraska corporation, on  
behalf of said corporation.



*Charles S. Weber*  
\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA )  
                          ) ss  
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this  
7th day of August, 1986, by Curt Denker, Assistant  
Vice President of Gateway Bank and Trust Company, on behalf of  
said corporation.



*Charles S. Weber*  
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Notary Public

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LANCASTER COUNTY NEB.

*Don Jals*

REGISTER OF DEEDS

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NUMERICAL INDEX &  
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INST. NO. 86- 26410

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