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Plat 2132/576
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RICHARD H. TAKECHI
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

-- SPACE ABOVE RESERVED FOR RECORDER'S USE --

Return to:
Thomas L. Saladino
1000 Commercial Fed. Tur
Omaha NE 68124

OUT BY
P/Recon
6084/557.

17552 01-600
FEE 258.50 FB 0.00
35-16-12
BKP 36-16-12 C/O VP CO
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Loan No. 249125

This Deed of Trust is a Construction Security Agreement that secures an obligation that Borrower has incurred for the purpose of making improvements to the herein described property and is a construction security interest in said property.

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

THIS DEED OF TRUST (the "Instrument") is made this 20th day of June, 1998, between HEARTHSTONE HOMES, INC., a Nebraska corporation, f/k/a CONSTRUCTION SCIENCES, INC., a Nebraska corporation (the "Borrower"), whose address is 8425 Madison Street, Omaha, Nebraska 68127, Attention: "Chief Financial Officer," Fax No. 02-339-0003; COMMERCIAL FEDERAL BANK, A FEDERAL SAVINGS BANK (the "Trustee"), whose address is: 8707 West Center Road, Omaha, Nebraska 68124, Attention: Construction Lending Manager, Fax No. 402-554-9468; and COMMERCIAL FEDERAL BANK, A FEDERAL SAVINGS BANK, as Beneficiary (the "Lender"), whose address is: Construction Lending, 8707 West Center Road, Omaha, Nebraska 68124, Attention: Construction Lending Manager, Fax No. 402-554-9468.

WITNESSETH:

Borrower, as trustor, irrevocably grants, conveys, transfers and assigns to Trustee, in trust, with power of sale, that real property in Douglas County, Nebraska described as:

SEE EXHIBIT "A" ATTACHED HERETO

TOGETHER with all interest which Borrower now has or may hereafter acquire in or to said property and in and to: (a) all easements and rights of way appurtenant thereto, and all heretofore or hereafter vacated alleys and streets abutting said property; and (b) all buildings, structures, tenements, improvements, fixtures, and appurtenances now or hereafter placed thereon, including, but not limited to, all fixtures, apparatus, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with said property, including, but not limited to, those for the purposes of supplying or distributing air cooling, air conditioning, gas, electricity, water, air, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal and other services; and all related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bathtubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennae, lights, trees and plants, and pool equipment, it being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; and (c) all cabinets, shelving, furniture, displays, lights, machinery and other trade fixtures attached or otherwise installed on said property used for a trade or business, it being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; and (d) all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Borrower and shares of stock pertaining to such water or water rights, ownership of which affects said property; and (e) the rents, income, issues, and profits of all properties covered by this Instrument; SUBJECT, HOWEVER, to the terms and conditions herein set forth. Borrower agrees to execute

and deliver, from time to time, such further instruments as may be requested by Lender to evidence or confirm the lien of this Instrument on any such properties. The properties conveyed to Trustee hereunder are hereinafter referred to as the "Property". It is understood that this Deed of Trust secures a loan to be used for the construction of improvements and this Deed of Trust expressly covers all buildings and improvements, now existing or hereafter to be erected or located on this Property and this Deed of Trust shall remain a first lien Deed of Trust against the subject property, and any improvements erected thereon to secure payment of the Note until released.

FOR THE PURPOSE OF SECURING:

(1) Payment of the sum of up to TWENTY-THREE MILLION DOLLARS (\$23,000,000.00) with interest thereon, according to the terms of a Loan Agreement ("Loan Agreement") and a Promissory Note ("Note") of even date herewith and having a final maturity date of June 30, 2001, made by Borrower payable to Lender or to order, and all modifications, extensions or renewals thereof, together with any future advances and re-advances made by Lender.

(2) Payment of such additional sums with interest thereon (a) as may be hereafter advanced by Lender pursuant to this Instrument (herein "Future Advances"); and (b) as may be incurred, paid out, or advanced by Lender, or may otherwise be due to Trustee or Lender under any provision of this Instrument.

(3) Performance of each agreement of Borrower contained herein or incorporated herein by reference or contained in the Loan Agreement and in any other agreements or covenants executed by Borrower relating to the loan secured hereby (together with the Loan Agreement and the Note and this Instrument are referred to as the "Loan Documents").

(4) Performance by Borrower of each and every monetary obligation to be performed by Borrower under any recorded covenants, conditions and restrictions pertaining to the Property.

(5) At Lender's option, payment with interest thereon, of any other present or future indebtedness and obligations of Borrower (or of any successor in interest of Borrower to such Property) owing to Lender, whether created directly or acquired by absolute or contingent assignment, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this Instrument or arising thereafter, the exercise of such option to be evidenced by a notice in writing to Borrower or any successor in interest to Borrower.

(6) Performance of all agreements of Borrower to pay fees and charges to the Lender relating to the Loan secured hereby.

(7) Payment of charges, as allowed by law when such charges are made, for any statement issued by Lender regarding the obligation secured hereby.

(8) If this loan is secured by a leasehold, performance and keeping by Borrower of each of the covenants and agreements required to be kept and performed by Borrower, as lessee, pursuant to the terms of the lease and any and all other instruments creating Borrower's leasehold interest in or defining Borrower's rights as lessee in respect to the Property.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant, convey, transfer and assign the Property to the Trustee and that Borrower will warrant and defend generally the title to the Property against all claims and demands, except for liens, easements and restrictions which are shown as prior to the lien created by this Instrument in a schedule of exceptions to coverage in any title policy insuring Lender's lien on the Property created by this Instrument.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, BORROWER COVENANTS AND AGREES AS FOLLOWS:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall pay when due the principal of and interest on the indebtedness evidenced by the Loan Agreement and the Note, any prepayment and late charges provided therein and all other sums secured by this Instrument.

2. **FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES.** [Intentionally Omitted.]

3. **APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender pursuant to the Loan Documents shall be applied first to any costs, expenses, fees, late charges, and other charges and amounts that may be due to Lender under the Loan Documents or under applicable law (other than principal and interest under the Note), second to interest then due to Lender under the Loan Documents, and third to principal.