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CHARLOTTE L. PETERSEN
WASHINGTON COUNTY CLERK
BLAIR, NEBR.

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STATE OF NEBRASKA COUNTY OF WASHINGTON)SS
ENTERED IN NUMERICAL INDEX AND FILED FOR RECORD
THIS 12th DAY OF May A.D. 2005
AT 3:19 O'CLOCK P.M AND RECORDED IN BOOK
463 AT PAGE 38-44
COUNTY CLERK Charlotte L. Petersen
DEPUTY Barbara Macdonald

Recorded ✓
General ✓
Numerical ✓
Photostat ✓
Proofed ✓

DEED OF TRUST

(Participation)

THIS DEED OF TRUST, made this 22 day of April, 2005, by and between

Country Tire, Inc., a Nebraska corporation,

hereinafter referred to as "Trustor" whose business address is

1210 Grant Street, P. O. Box 8, Blair, NE 68008

GREGG J. STRATMAN, Attorney at Law, hereinafter referred to as "Trustee," whose address is

11145 Mill Valley Road, Omaha, NE 68154,

and **Nebraska Economic Development Corporation**, hereinafter referred to as "Beneficiary," who maintains an office and place of business at 1610 South 70th Street, Suite 201, Lincoln, NE 68506, in participation with the Small Business Administration, an Agency of the United States.

WITNESSETH, that for and in consideration of \$1.00 and other good and valuable consideration, receipt of which is hereby acknowledged, the Trustor does hereby bargain, sell, grant, assign, and convey unto the Trustee, his successors and assigns IN TRUST, WITH POWER OF SALE, all of the following described property situated and being in the County of Washington, State of Nebraska.

See Exhibit "A" attached hereto

Together with and including all buildings, all fixtures, including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the Trustor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, and the rents, issues, and profits of the above described property. To have and to hold the same unto the Trustee, and the successors in interest of the Trustee, forever, in fee simple or such other estate, if any, as is stated herein trust, to secure a promissory note of the above date, in the principal sum of: \$168,000.00.

Signed by: Country Tire, Inc.

1. This conveyance is made upon and subject to the further trust that the said Trustor shall remain in quiet and peaceable possession of the above granted and described premises and take the profits thereof to his own use until the default be made in any payment of an installment due on said note or in the performance of any of the covenants or conditions contained therein or in this Deed of Trust; and, also to secure the reimbursement of the Beneficiary or any other holder of said note, the Trustee or any substitute trustee of any and all costs and expenses incurred, including reasonable attorney's fees on account of any litigation which may arise with respect to this Trust or with respect to the indebtedness evidenced by said note, the protection and maintenance of the property hereinabove described or in obtaining possession of said property after any sale which may be made as hereinafter provided.

2. Upon the full payment of the indebtedness evidenced by said note and the interest thereon, the payment of all other sums herein provided for, the repayment of all monies advanced or expended pursuant to said note or this instrument, and upon the payment of all other proper costs, charges, commissions, and expenses, the above-described property shall be released and reconveyed to and at the cost of the Trustor.

3. Upon default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby, the Beneficiary or his assigns may without notice and without regard to the adequacy of security for the indebtedness secured, either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by the court, enter upon and take possession of said property or any part thereof, and do any acts which Beneficiary deems proper to protect the security hereof, and either with or without taking possession of said property, collect and receive the rents, royalties, issues, and profits thereof, including rents accrued and unpaid, and apply the same, less costs of operation and collection, upon the indebtedness secured by this Deed of Trust, said rents, royalties, issues, and profits being hereby assigned to the Beneficiary as further security for the payment of such indebtedness. Exercise of rights under this paragraph shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice but shall be cumulative to any right and remedy to declare a default and cause notice of default to be recorded as hereinafter provided, and cumulative to any other right and/or remedy hereunder, or provided by law, and may be exercised concurrently or independently. Expenses incurred by Beneficiary hereunder including reasonable attorney's fees shall be secured hereby.

4. The Trustor covenants and agrees that if he shall fail to pay said indebtedness, or any part thereof, when due, or shall fail to perform any covenant or agreement of this instrument or of the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible at the option of the Beneficiary or assigns, regardless of maturity, and the Beneficiary or assigns may enter upon said property and collect the rents and profits thereof. Upon such default in payment or performance, and before or after such entry, the Trustee, acting in the execution of this Trust after the notice of default has been recorded, shall mail a copy of the default to each person who is a party to this instrument, at the address set out in this instrument, as well as to any person who has requested any notice of default and notice of sale by recording said request for notice with the register of deeds in the county in which this instrument is recorded, and after the lapse of time which is required by law after mailing the notice, the Trustee shall have the power to sell said property, and it shall be the Trustee's duty to sell said property in case of any default of any purchaser, to resell at public auction, to the highest bidder. The Trustee shall first give five weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said five weeks in a newspaper published or distributed in the county or political subdivision in which said property is situated and written notice of sale shall be mailed to each person who is a party to this instrument at the address set forth herein (and the Beneficiary or any person on behalf of the Beneficiary may bid and purchase at such sale). Such sale will be held at a suitable place to be selected by the Beneficiary within said county or political subdivision. The Trustee is hereby authorized to execute and deliver to the purchaser at such sale a sufficient

conveyance of said property, which conveyance shall contain recitals as to the happening of default upon which the execution of the power of sale herein granted depends; and the said Trustor hereby constitutes and appoints the Trustee as his agent and attorney in fact to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be binding and conclusive upon the Trustor, and said conveyance shall be effectual to bar all equity or right of redemption, homestead, dower, right of appraisement, and all other rights and exemptions of the Trustor all of which are hereby expressly waived and conveyed to the Trustee. In the event of a sale as hereinabove provided, the Trustor or any person in possession under the Trustor, shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to all other remedies for the collection of said indebtedness. The Beneficiary or Assigns may take any other appropriate action pursuant to state or federal statute either in state or federal court or otherwise for the disposition of property.

5. In the event of a sale as provided in paragraph 4, the Trustee shall be paid a fee by the Beneficiary in an amount not in excess of one percent of the gross amount of said sale or sales, provided, however, that the amount of such fee shall be reasonable and shall be approved by the Beneficiary as to reasonableness. Said fee shall be in addition to the costs and expenses incurred by the Trustee in conducting such sale. The amount of such costs and expenses shall be deducted and paid from the sale's proceeds. It is further agreed that if said property shall be advertised for sale as herein provided and not sold, the Trustee shall be entitled to a reasonable fee, in an amount acceptable to the Beneficiary for the services rendered. The Trustee shall also be reimbursed by the Beneficiary for all costs and expenses incurred in connection with the advertising of said property for sale if the sale is not consummated.

6. The proceeds of any sale of said property in accordance with paragraph 4 shall be applied first to payments of fees, costs, and expenses of said sale, the expenses incurred by the Beneficiary for the purpose of protecting or maintaining said property and reasonable attorneys' fees; secondly, to payment of the indebtedness secured hereby; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

7. In the event said property is sold pursuant to the authorization contained in this instrument or at a judicial foreclosure sale and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the Beneficiary will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisement, the Trustor having waived and assigned all rights of appraisement to the Trustee.

8. The Trustor covenants and agrees as follows:

a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided.

b. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the Beneficiary.

c. He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the Beneficiary for the collection of any or all of the indebtedness hereby secured, of such expenses and fees as may be incurred in any foreclosure sale

by the Trustee, or court proceedings or in any other litigation or proceeding affecting said property, and attorney's fees reasonably incurred in any other way.

d. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said note or any part thereof secured hereby.

e. He will continuously maintain hazard insurance of such type or types and in such amounts as the Beneficiary may from time to time require, on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies acceptable to Beneficiary and the policies and renewals thereof shall be held by Beneficiary and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In the event of loss, Trustor will give immediate notice in writing to Beneficiary and Beneficiary may make proof of loss if not made promptly by Trustor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly, and the insurance proceeds or any part thereof, may be applied by Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of a Trustee's sale or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Trustor in and to any insurance policies then in force shall pass at the option of the Beneficiary to the purchaser or Beneficiary.

f. He will keep the said premises in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted, and in the event of the failure of the Trustor to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, the Beneficiary may make such repairs as in the Beneficiary's discretion it may deem necessary for the proper preservation thereof, and any sums paid for such repairs shall bear interest from the date of payment at the rate specified in the note, shall be due and payable on demand and shall be fully secured by this Deed of Trust.

g. He will not without the prior written consent of the Beneficiary voluntarily create or permit to be created against the property subject to this Deed of Trust any liens inferior or superior to the lien of this Deed of Trust and further that he will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises.

h. He will not rent or assign any part of the rent of said property or demolish, remove, or substantially alter any building without the written consent of the Beneficiary.

9. In the event the Trustor fails to pay any federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged to the property hereinabove described, the Beneficiary is hereby authorized to pay the same and any sum so paid by the Beneficiary shall be added to and become a part of the principal amount of the indebtedness evidenced by said promissory note. If the Trustor shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all taxes and liens and costs, fees, and expenses of making, enforcing and executing this Deed of Trust, then upon written request of the Beneficiary and the surrender of the Deed of Trust and the note to the Trustee, the trustee shall, after payment by Trustor of the Trustee's fees, reconvey the property to the Trustor or to the person or persons legally entitled thereto.

10. The Trustor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except liens and encumbrances now of record; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the lawful claims of all persons whomsoever.

11. For better security of the indebtedness hereby secured, the Trustor upon the request of the Beneficiary, its successors or assigns, shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired after the date hereof. Furthermore, should Trustor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, Trustor hereby agrees to permit Beneficiary to cure such default, but Beneficiary is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.

12. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to Beneficiary, who may apply the same to payment of the installments last due under said note, and the beneficiary is hereby authorized, in the name of the Trustor to execute and deliver valid acquittances thereof and to appeal from any such award.

13. The irrevocable right to appoint a substitute Trustee or Trustees in hereby expressly granted to the Beneficiary, his successors or assigns, to be exercised at any time hereafter without specifying any reason therefor, by filing for record in the office where this instrument is recorded a substitution of Trustee. Prior to recording the substitution of Trustee, a copy of the instrument of the substitution of the successor Trustee shall be mailed to the Trustor and all persons who have requested notice of default and notice of sale by filing such request with the office of Register of Deeds where this Deed of Trust is recorded.

14. If more than one person joins in the execution of this instrument as Trustor, or if anyone so joined be of the feminine sex, the pronouns and relative words used herein shall be read as if written in the plural or feminine, respectively, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured or any assignee or transferee thereof whether by operation of law or otherwise. The covenants herein contained shall bind and the rights herein granted or conveyed shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

15. In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration (13 C.F.R. 101.1(d)), this instrument is to be construed and enforced in accordance with applicable Federal law.

16. A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

17. The sale of the real estate, which is the subject of this Deed of Trust, without the prior written consent of the Beneficiary is agreed to be a material default by the Trustor, and the Beneficiary shall have the option to declare the whole indebtedness secured thereby to be due and owing and the power of sale conferred upon the Trustee may be exercised pursuant to this document and applicable statutes.

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- (a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
- (b) CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity for local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

IN WITNESS WHEREOF, Trustor has executed this instrument and the Trustee and Beneficiary are deemed to have accepted their respective rights and duties when a duly executed and acknowledged copy of this instrument is delivered to them.

COUNTRY TIRE, INC.,

By: *Roger E. Howland, Pres.*
 Roger E. Howland, President

STATE OF NEBRASKA)
) ss.
 COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this April 22, 2005, by Roger E. Howland, President of Country Tire, Inc, on behalf of the corporation.

Carla R. Peck
 NOTARY PUBLIC

After recording return to:

Alan M. Wood
 Erickson & Sederstrom, P.C.
 301 South 13th Street, Suite 400
 Lincoln, NE 68508

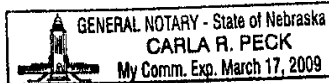


EXHIBIT "A"

The East 50.0 feet of Lot 20 and all of Lot 21 in Block 53 in the City of Blair, Washington County, Nebraska, and

Lot 18 except the West 10.0 feet thereof in Block 53 in the City of Blair, Washington County, Nebraska, and

Lot 16 and the West 40.0 feet of Lot 17 in Block 52 in the City of Blair, Washington County, Nebraska, and

Tax Lot 261 and Tax Lot 262 in Section 12, Township 18 North, Range 11 East of the 6th P.M., in the City of Blair, Washington County, Nebraska.