

OPEN END MORTGAGE

WILLIAM L. WERNER AND ROSEMARY WERNER, husband and wife, each in his and her own right and as spouse of the other _____ herein called the Mortgagor whether one or more, in consideration of TWENTY FOUR THOUSAND AND NO/100 _____ Dollars loaned to said Mortgagor, does mortgage to HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, its successors and assigns, the following described real estate in HALL County, Nebraska:

LOTS ONE (1) AND TWO (2), IN BLOCK FOURTEEN (14), IN ARNOLD & ABBOTT'S ADDITION TO THE CITY OF GRAND ISLAND, NEBRASKA, AS SURVEYED, PLATTED AND RECORDED.

and all easements and appurtenances together with all buildings, improvements, fixtures or appurtenances now or hereafter erected thereon, including all apparatus, equipment, fixtures or articles, whether in single units or centrally controlled, used to supply heat, gas, air-conditioning, water, light, power, refrigeration, ventilation or other services, and any other thing now or hereafter therein or thereon, the furnishing of which by lessors to lessees for an unfurnished building similar to the one now or hereafter on said premises is customary or appropriate, including, but not limited to, screens, window shades, storm doors and windows, carpeting and other floor coverings, screen doors, awnings, built-in dishwashers, stoves, refrigerators, and water heaters and all renewals or replacements thereof (all of which are intended to be and are hereby declared to be a part of said real estate whether physically attached thereto or not.) The Association is hereby subrogated to the rights of all mortgagees, lienholders and owners paid off by the proceeds of the loan hereby secured.

TO HAVE AND TO HOLD the said property, with said buildings, improvement, fixtures, appurtenances, apparatus and equipment, unto said Association, its successors and assigns, forever.

Mortgagor hereby covenants with said Association, its successors and assigns, that Mortgagor is lawfully seized of said premises, that they are free of encumbrances, and that Mortgagor will forever warrant and defend the title to said premises against the lawful claims of all persons whomsoever.

THIS MORTGAGE IS GIVEN TO SECURE: (1) The payment of a Note executed by Mortgagor to the Association bearing even date herewith in the principal sum as set forth above, which Note, principal and interest, is payable in monthly installments according to its terms, with a final maturity, unless sooner paid, on the 1st day of December, 1998. The holder hereof shall have the option to accelerate the maturity of the note for which this mortgage is given as security, at any time after the 10th loan year after first giving the undersigned or the then owner of the premises described herein a written notice three months in advance of its intent to do so. Any prepayment of principal made by virtue of the exercise of this option shall be without prepayment premium. (2) Any additional advances made by the Association to Mortgagor, or Mortgagor's successors in title, for any purpose, at the option of the Association, at any time before the release and cancellation of this Mortgage, but at no time shall this Mortgage secure advances on account of said original note and such additional advances in a sum in excess of TWENTY FOUR THOUSAND AND NO/100 _____ Dollars; provided that nothing herein contained shall be considered as limiting the amount that shall be secured hereby when advanced to protect the security or in accordance with covenants contained in this Mortgage.

Provided, nevertheless, these presents are upon the following conditions: that whereas the said Mortgagor is a member of said Association, has executed a note in writing to said Association to repay sum of money, with interest, in payments as set forth in said note, and any and all additional advances, with interest, and has agreed to abide by the Constitution and By-Laws of said Association, and rules and regulations adopted by its board of Directors; and agreed and do hereby agree:

1. To pay the indebtedness hereby secured promptly and in full compliance with the terms of the aforesaid Promissory Note and any other notes or agreements for additional advances as provided herein and of this Mortgage and further agrees that at the sole option of Mortgagee the time of payment of the indebtedness hereby secured, or any portion thereof, may be extended or renewed, and any portion of the premises herein described may, without notice, be released from the lien hereof without releasing or affecting the personal liability of the Mortgagor herein for the payment of said indebtedness then remaining unpaid, and not change in the ownership of said premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created.

2. Undersigned reserves the right to prepay this note in whole or in part on any installment payment date prior to five years from the date hereof by the payment of all accrued interest to the date of such prepayment together with a prepayment fee equal in amount to 180 days interest on the amount so prepaid; and if prepaid after such date there shall be no prepayment fee. The prepayment fee so charged shall not exceed the maximum

allowed by law or federal regulation. Principal amounts prepaid prior to maturity must be in amounts equal to one or more subsequent principal payments.

3. That in addition to, and together with, the monthly installments provided for under the terms of the aforesaid Promissory Note and any other notes or agreements for additional advances as provided herein Mortgagor will pay as an advance payment to Mortgagee on the first day of each month until said Note and the total indebtedness secured hereby is fully paid, an amount estimated by Mortgagee to be sufficient to enable the Mortgagee to pay all taxes, assessments (general or special), rents, and other similar charges against the above described premises, as the same become due. Such advance payments shall be paid each month together with the monthly installments provided for under the terms of said Promissory Note and any other notes or agreements for additional advances as provided herein in a single payment and shall not be, nor deemed to be, trust funds but may be commingled with other such funds or the general funds of the Mortgagee, and no interest shall be payable in respect thereof. Mortgagor shall promptly forward to Mortgagee all bills for taxes, assessments and rents and Mortgagee will use said advance payments for the payment of said bills. Mortgagee may, from time to time, at its option, waive, and after such waiver, reinstate any and all provisions of this paragraph requiring such advance payments, by notice to Mortgagor in writing. While such waiver is in effect, Mortgagor shall pay all taxes, assessments and rents as otherwise provided hereinafter.

4. If the total of the advance payments made by the Mortgagor shall exceed the amount of payments actually made by the Mortgagee for taxes, assessments or rents, as the case may be, such excess, at the option of the Mortgagee, shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly advance payments made by the Mortgagor shall not be sufficient to pay such taxes, assessments and rents, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such taxes, assessments or rents shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the Note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance accumulated under the above paragraph. If there shall be a default under any of the provisions of this Mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquires the property otherwise after default, the Mortgagee shall apply in such manner as Mortgagee shall determine the balance of advance payments then remaining in the funds accumulated under the above paragraph, as a credit against the indebtedness secured hereby.

5. That in the event any of the monthly advance payments provided herein or monthly installments provided for under the terms of said Promissory Note and any other notes or agreements for additional advances have not been made by the tenth day of the month in which such payment was due, a late charge of up to ten (10) percent of the amount of said monthly payment may be assessed by the Association to cover the extra expense involved in handling delinquent payments. The Association shall not be obligated to accept any monthly payment made after the tenth day of the month unless said monthly payment shall be accompanied by the full amount of the late charge assessed by the Association as provided herein.

6. To pay any and all taxes, assessments (general or special), rents and other similar charges levied and assessed against the premises, this Mortgage, or indebtedness hereby secured, before they become delinquent, for which provisions has not been made hereinbefore, and in default thereof the Mortgagee may pay the same, and all moneys so advanced with interest at 11 % from the date of such payment shall be repaid by Mortgagor upon demand, and shall be secured by this Mortgage.

7. That Mortgagor will keep the improvements on said premises insured against loss (from fire, lightning and other hazards included in the standard extended coverage endorsement plus flood insurance where required by mortgagee) in an amount not less than the unpaid balance of the indebtedness secured hereby, with loss, if any, payable to said Association, in a company or companies acceptable to the Association; and should such policy or policies contain any provision that could limit the insurance company's liability to pay the amount of any loss or damage up to the full amount for which policy is written, the amount of insurance to be provided shall be in an amount sufficient to, at all times, fully protect the Association. If Mortgagor fails to procure or maintain such insurance in the manner specified herein, the Association may, at its option, procure and pay for such insurance, and all moneys so advanced with interest at 11 % from the date of such payment shall be repaid by Mortgagor upon demand, and shall be secured by this Mortgage.

8. That the Mortgagor will keep the buildings upon said premises in good repair, and neither commit nor permit waste upon said land, nor suffer the same premises to be used for any unlawful purpose. Mortgagor further agrees that without the written consent of Home Federal Savings and Loan no buildings or additions to existing buildings shall be erected and all parking and landscaped areas shall be satisfactorily maintained.

9. That in the event the premises or any part thereof be taken or damaged by reason of any public improvement or condemnation proceedings, or under right of eminent domain, or in any other manner, Mortgagee shall be entitled at its option to commence, appear in,

and prosecute in its own name in the action or proceedings, or to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds are hereby assigned to Mortgagee, who may, after deducting therefrom all of its expenses, including attorney's fees, release any money so received by it or apply the same on any indebtedness secured hereby. Mortgagor agrees to execute such further assignments of any compensation, awards, damages and rights of action and proceeds as Mortgagee may require.

10. That Mortgagor shall comply, at all times, with all federal and state laws, all municipal ordinances and all rules and regulations of any governmental entity having jurisdiction over the premises, insofar as said laws, ordinances, rules and regulations pertain in any way to the premises and their use.

11. That the Mortgagee, and any persons authorized by Mortgagee, shall have the right to enter and inspect the premises at all reasonable times.

12. Mortgagor will not further mortgage or encumber the premises, or assign, or attempt to assign, the rents, or any part thereof, from said premises. Mortgagor will not, except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease of the premises, or any part thereof, now existing or hereafter made, or modify any such lease so as to shorten the unexpired term thereof or so as to decrease the amount of rents payable thereunder, or accept payments of any installments of rent to become due under such leases for a period of more than one month in advance. Mortgagor will not execute any lease of any portion of the premises except for actual occupancy by the lessee thereunder, will at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all leases of the premises now or hereafter existing, on the part of the lessor thereunder to be kept and performed; all leases upon the mortgaged premises shall be in form and substance satisfactory to Mortgagee and, at the option of Mortgagee, shall be assigned to Mortgagee.

13. In the event that Mortgagor makes an assignment for the benefit of creditors, a receiver is appointed for the Mortgagor or for all or any part of the premises, or if Mortgagor files a petition or institutes proceedings in bankruptcy or is adjudicated a bankrupt under any state law for the relief of debtors or under the bankruptcy laws of the United States, or if any of the foregoing shall happen to any co-maker or guarantor of the promissory note secured hereby, then, or at any time thereafter, the whole of the aforesaid indebtedness and all other sums secured by this mortgage and any other securing agreement given in connection with this loan shall become due and payable at once at the option of the Mortgagee and Mortgagee shall be entitled to declare this mortgage to be in default. The acceptance of one or more payments on the indebtedness or any sums secured by this mortgage made by anyone other than the Mortgagor prior to confirmation of foreclosure sale shall not constitute Mortgagee's waiver of its right to accelerate the maturity of the aforesaid indebtedness and all other sums secured hereby.

14. No remedy conferred upon or reserved to Mortgagee in this mortgage or any other securing agreement is intended to be exclusive of any other remedy or remedies (and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter) existing, at law, in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this mortgage to the Mortgagee may be exercised from time to time as often as may be deemed expedient to Mortgagee.

15. Mortgagor will keep adequate records and books of account in accordance with generally accepted accounting principles and will deliver to Mortgagee, within 45 days after the close of each of Mortgagor's fiscal years an itemized statement certified by an officer of Mortgagor showing all items of income and expense for the mortgaged property, setting forth in each case, in comparative form, figures for the preceding year. Throughout the term of this mortgage, Mortgagor, with reasonable promptness, will deliver to Mortgagee such other information with respect to the mortgaged premises as Mortgagee may reasonably request from time to time. All financial statements shall be prepared in accordance with generally accepted accounting practice and shall be delivered in duplicate.

Now if said Mortgagor shall pay or cause to be paid said sums of money when due as set forth in said Note and in this instrument, and any additional advances made, with interest, as herein provided, and shall also have paid all other indebtedness secured by this Mortgage and shall have faithfully and fully kept and performed each and all of the covenants and agreements herein contained or contained in said Note or any other notes or agreements for additional advances, then this conveyance shall be null and void, otherwise it shall remain in full force and effect.

If default shall be made in any payment due on said Note or this instrument, or on any other notes or agreements for additional advances; or in keeping the improvements on said premises insured as aforesaid, with loss, if any, payable to said Association; or in payment of taxes or assessments or any nature upon said premises or this Mortgage or indebtedness secured thereby, before the same become delinquent, if provision for advance payment has not been made as described above, or in the event that the requirement for advance payments is waived; or in the event that Mortgagor fails to conform to and comply with or should otherwise breach any of the conditions, covenants or agreements contained in this Mortgage, or the Note which it secures, or any other notes or agreements for

additional advances, or in the event the Mortgagor should sell, either outright, by land contract, by lease purchase agreements, or otherwise, or title thereto should otherwise become vested in persons other than the Mortgagor; then the whole indebtedness hereby secured shall thereupon or at any time thereafter, at the option of the Association, become immediately due and collectible without further notice and this Mortgage may then be foreclosed to recover the same, with interest thereon, at 11 % and all reasonable costs and expenses of suit, including abstracting or title search fees. Acceptance by Mortgagee of one or more installment payments on the indebtedness secured hereby subsequent to any sale or change in ownership or possession of said real estate, or any part thereof, as above provided, as to which mortgagee has not granted its written consent, shall not constitute a waiver of Mortgagee's option to accelerate the whole indebtedness hereby secured, which option may be exercised by Mortgagee at any time. No delay or omission of Mortgagee to exercise any right or option accruing upon any default shall impair any such right or option, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every option and remedy given by this Mortgage to the Mortgagee may be exercised from time to time as often as may be deemed expedient to Mortgagee.

Provided further that in the event of default in the performance of any of the terms and conditions of this Mortgage, the Note secured by this Mortgage, or any other notes for additional advances, on the part of the Mortgagor, the Association shall be entitled to the immediate possession of the premises above described, together with all the rent, revenues and income, including any land contract payments due the Mortgagor or any other incomes of any type whatsoever, to be derived therefrom, and said Association may, in its discretion, use the rents so far as it deems necessary for the purpose of making repairs upon the premises, and for the payments of insurance premiums, taxes and assessments upon said premises, and for necessary expenses incurred in renting said premises and collecting rents therefrom, and to apply on said note and notes and agreements for future advances, until the indebtedness secured is fully paid; but said Association shall in no case be liable for the failure to procure tenants, to collect rents, or to prosecute actions to recover possession of said premises.

Executed this 2nd day of November, 1978.

William L. Werner
 William L. Werner
Rosemary Werner
 Rosemary Werner

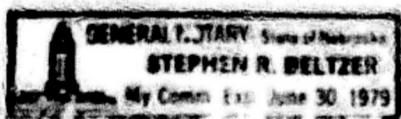
STATE OF NEBRASKA)
) ss:
 COUNTY OF HALL)

On this 2nd day of November, 1978, before me, a Notary Public in and for said County, personally came the above named WILLIAM L. WERNER AND ROSEMARY WERNER, husband and wife to me well known to be the identical person whose name _____ affixed to the above Mortgage as grantors and are severally acknowledged the said instrument and the execution thereof, to be their _____ voluntary act and deed.

WITNESS my hand and Notarial Seal, the day and year last above written.

Stephen R. Beltzer
 Notary Public

My commission expires on the 30th day of June, 1979.



Entered as Document No.

78-007301

Grantor FD
Grantee FF
Numerical 2-1
1-2-3-4

STATE OF NEBRASKA) SS
COUNTY OF HALL)

78 NOV 6 PM 4 13

James H. Fisher
REG. OF NEEDS

Return Home Federal
P.O. Box 1009
Loan # _____

17-26