

No: 16078

SECURITY AGREEMENT FOR PLEDGE OF COLLATERAL

File:

In consideration of a financial accommodation given or to be given to the undersigned by THE OVERLAND NATIONAL BANK OF GRAND ISLAND

hereinafter called Bank, the undersigned does on this date hereby deposit and pledge with said Bank the following described securities or other property (hereinafter called Collateral), and hereby give and grant to said Bank a Security Interest in all said Collateral, to wit:

Table with 4 columns: Item No., Certificate or Bond or Policy No., DESCRIPTION, No. of Units or Par Value of Bonds, Current Market or Cash Value. Row 1: Assignment of Proceeds from Sale of Real Estate from Huston Co. dated November 15, 1978 on property located at 507 East 20th, Grand Island, NE. Row 5: Lot 30, West Roads Estates, 3rd Subdivision, Hall County, Nebraska.

Said Collateral, and any substitutes therefor or additions thereto, together with any rights to which the undersigned may become entitled by reason of the ownership of the pledged property during the existence of this Agreement, is to be held by the Bank as Collateral and continuous security for any and all notes, demands, overdrafts, indebtedness or obligations (hereinafter called Indebtedness) of the undersigned to Bank, whether direct, indirect, absolute or contingent, covering including and embracing all liabilities and indebtedness of every kind that are now due or owing, or may become due or owing, or that may hereafter be contracted by the undersigned to Bank.

The undersigned will at all times maintain with Bank Collateral of a character and value satisfactory to it and, if at any time the Collateral shall depreciate in value, Bank to be the sole judge of such value, or Bank shall deem itself insecure, the undersigned will immediately, upon demand, deposit additional Collateral or make such payments in reduction of the principal amount of the indebtedness as shall be satisfactory to Bank. Failure of the undersigned to furnish such additional Collateral or make such payments within twenty-four hours after demand for same shall at once mature the indebtedness.

The word "undersigned," wherever used herein, shall include both singular and plural. When executed by more than one party, all references to the undersigned shall mean all or any one or more of them, and the obligations of the undersigned shall be joint and several.

This agreement shall remain in effect until written notice of termination given by the undersigned is received by the Bank, but this agreement shall be fully operative as to all interests, rights, and remedies created or acquired pursuant to or in connection with this agreement and as to all indebtedness incurred prior to receipt of such notice by the Bank.

Undersigned shall, at his own expense, do, make, procure, execute and deliver all acts, things, writings, and assurances as Bank may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Pledge Agreement.

Undersigned agrees that any indulgence of Bank, substitution for, exchange of or release of Collateral, or addition or release of any person liable on the Collateral, is hereby assented and consented to, and that at the time the Collateral is deposited with Bank undersigned has the right to transfer any interest therein, and that the Collateral is not subject to the interest of any third person and that undersigned will defend the Collateral and its proceeds against the claims and demands of all third persons, and that all financial or credit statements and Collateral deposited with or relied upon by Bank prior to, contemporaneous with, or subsequent to execution of this Pledge Agreement are or shall be true, correct, complete, valid and genuine.

"Undersigned" and "Bank" as used in this Pledge Agreement shall include the heirs, executors, administrators, successors, representatives, receivers, trustees and assigns of those parties.

The laws of the State of Nebraska shall govern the construction of, and the interests, rights and duties of the Parties to this Pledge Agreement.

THIS AGREEMENT INCLUDES THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, the same being incorporated herein by reference.

EXECUTED this 15th day of November, 1978

Signatures of Mark L. Zook and Donna L. Zook with labels 'Debtor's Signature'.

SECURITY AGREEMENT - PLEDGED COLLATERAL

SECURITY AGREEMENT FOR PLEDGE OF COLLATERAL

ADDITIONAL PROVISIONS

Upon default in the payment of all or any part of the Indebtedness secured hereby, or any installment thereof when due, or when there is any misstatement or false statement in connection with, noncompliance with, or nonperformance of any of the undersigned's obligations, agreements or affirmations with respect to any Indebtedness to the Bank, and upon death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of Debtor, assignment for the benefit of creditors by, the calling of a meeting of creditors of, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor, or if Secured Party deems the Collateral to be insufficient by reason of the decline in value of any of the Collateral, or upon default in any of the other agreements contained in this Security Agreement or other security agreements or other writings delivered by any of the undersigned to the Bank, undersigned shall pay immediately without notice the entire unpaid Indebtedness of undersigned to Bank. In such event of default, full power and authority are hereby given to Bank, acting then, or at any time thereafter, at its election, to sell, assign, transfer and deliver the whole of the Collateral or any part thereof, or any additions thereto, or substitutes therefor, in such order as Bank may elect, at public or private sale, at such price or prices, and upon such terms and conditions as Bank in its sole and absolute discretion may determine, without demand, advertisement, or notice of any kind, all of which are hereby expressly waived, and to apply the proceeds remaining after deducting all costs of sale, in payment or reduction of any Indebtedness of any of the undersigned in such order as Bank in its discretion may determine. At any such sale, Bank may, if it be the highest bidder, purchase any or all of the Collateral so sold, free from any right of redemption in the undersigned, which right of redemption is hereby expressly waived, and may apply any unpaid Indebtedness on account of or in full satisfaction of the purchase price.

Bank may assign or transfer the whole or any part of the Indebtedness and may transfer and deliver the whole or any part of the Collateral to the transferee and the transferee shall be vested with all the rights and powers of Bank hereunder with respect to the Collateral so transferred and thereafter Bank shall be fully discharged from all liability and responsibility with respect thereto.

It is further agreed and understood that no delay on the part of Bank in exercising any of the rights hereunder shall operate as a waiver of said rights, nor shall Bank be liable to the undersigned for any delay or omission in collecting or realizing upon any of the above mentioned collateral securities, or substitutes therefor or additions thereto.

At any time and without notice, Bank may (1) cause the Collateral to be transferred to its name or to the name of its nominee or nominees and thereafter exercise as to such Collateral all the rights, powers, and remedies of an owner, (2) collect by legal proceedings or otherwise all dividends, interest, principal payments, and other sums now or hereafter payable on account of said Collateral, and hold the same as Collateral, or apply the same to any of undersigned's Indebtedness to Bank, the manner and distribution of the application to be in the sole discretion of Bank, (3) enter into any extension, subordination, reorganization, deposit, merger, or consolidation agreement, or any other agreement relating to or affecting the Collateral, and in connection therewith deposit or surrender control of such Collateral thereunder, and accept other property in exchange therefor and hold or apply such property or money so received in accordance with the provisions hereof.

Bank shall have the rights and remedies provided in the Nebraska Uniform Commercial Code, and if notice to undersigned is required, shall give written notice to undersigned five days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made by mailing such notice to undersigned at the address designated with his signature below.

It is further understood and agreed that Bank's duty with reference to the Collateral shall be solely to use reasonable care in the custody and preservation of the Collateral in Bank's possession, which shall not include any steps necessary to preserve rights against prior parties.

Bank may delay exercising or omit to exercise any right or remedy under this Pledge Agreement without waiving that or any other past, present or future right or remedy.

The rights of the Bank and obligations of the undersigned hereunder are in addition to any rights granted or obligations incurred in other writings delivered by the undersigned to the Bank.

Entered as Document No. 78-007666

Grantor 2
Grantee 0
Numerical 23
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NOV 22 AM 10 18
State of Nebraska
County of Hall
REGISTER OF DEEDS

JEAN FISHER
Jeanne Kowal, Deputy

ONB
(with stamp)