

62-1063

For Official Use Only

State of Nebraska, Jefferson County) § 88105
 Entered in Numerical Index and filed for record the 28th day of June
 A.D. 2006 at 9:42 o'clock A M. and recorded in Mortgage
 Record No. 192 Page 62
 Sandra Stelling, County Clerk by M Cynthia Newman Deputy
 \$16.50 pd Capitol Title 4/1

DEED OF TRUST

THIS DEED OF TRUST is made on June 27, 2006 The Trustor Amber and Hunter Folkers, Borrower.
 The Trustee is Joseph F. Chilen, a member of the Nebraska State Bar Association The Beneficiary is Blue Valley Community
 Action Partnership. a/k/a Lender. Beneficiary address is 620 5th Street, P.O. Box 273, Fairbury, Nebraska 68352 Borrower
 irrevocably conveys to Trustee, in Trust, with power of sale, the following:

LEGAL DESCRIPTION:

South 1/2 of Lot 4 and all of Lots 5 & 6, Blk 5, Original Town of Diller, Jefferson County, Nebraska

Together with all the rents and profits there from and subject to easements and restrictions of record, if any.
 Borrower owes Lender Ten Thousand Dollars and 00/100 (\$10,000.00), evidenced by Borrower's note of even date,
 payable according to the terms thereof.

The Security Instrument secures to Lender the Debt evidenced by said note, the payment of all other sums, advanced under the
 provisions hereafter to protect the security and the performance of Borrower's covenants and agreements.

Borrower covenants that Borrower is lawfully seized of such real estate and has the legal power and lawful authority to convey
 the same and warrants and will defend title to the real estate against the lawful claims of all persons.

BORROWER AND LENDER AGREE AS FOLLOWS:

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1. Borrower shall pay when due, the principal as provided in said Loan Agreement.
2. All payments received by Lender shall be first applied to advances, which may have been made by Lender, and then to principal due.
3. Borrower shall pay all general real estate taxes and special assessments against the property before the same become delinquent.
4. Buyer shall keep the improvements on said premises insured against loss by fire and hazards included within the term "extended coverage" for their insurable value and policies for the same shall include a standard mortgage clause showing Lender herein. In event of loss, Lender may make proof of loss if not promptly made by Borrower. Insurance proceeds shall be applied to restoration or repair of the property damaged, unless both parties otherwise agree, except if restoration or repair is not economically feasible or Lender's security is not lessened, otherwise said proceeds shall be paid on the debt herein, whether or not then due.
5. If Borrower fails to perform the covenants and agreements herein contained, Lender may do and pay for whatever is necessary to protect the value of the property and Lender's rights in the property, including the paying of any sum secured by a lien which has priority over this security instrument, appearing in Court, paying reasonable attorney fees and entering the property to make repairs. Any amount disbursed by Lender under this paragraph shall become an additional debt of Borrower secured by this security instrument, to bear interest from the date of disbursement and said amount, together with the then unpaid principal amount, shall bear interest at the highest lawful rate until refunded by Borrower.
6. The proceeds of any condemnation award are hereby assigned and shall be paid to Lender and shall be applied to the sums secured by this security instrument, whether or not then due, with any excess paid to Borrower.
7. Any extensions or modifications of the loan granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right of remedy.
8. Any notice to Borrower provided for in this security instrument shall be given by delivering it or may mailing it by first class mail unless Nebraska Law requires use of another method, at the Borrower's last know address.
9. This security instrument and the note, which it secures, shall be governed by Nebraska law.
10. Lender shall give notice to Borrower following Borrower's breach of any covenant or agreement in this security agreement and the note, which it secures. The notice shall specify (a) the default, (b) the action required to cure the default, (c) a date not less than 30 days from the date the notice is given to Borrower by which the default must be cured, and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sum secured by this security agreement and resale of the property. The notice shall further inform borrower of the right to reinstate, after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to

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acceleration and sale. If default is not cured, on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Agreement without further demand and may invoke the power of sale and any other remedies permitted by Nebraska Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including but not limited to reasonable attorney fees and costs of title evidence.

11. If the power of sale is invoked, Trustee shall record a notice of default in each county in which any part of the property is located and shall mail copies of such notice in the manner prescribed by Nebraska law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Nebraska law. Trustee, without demand on Borrower, shall sell the property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the property at any sale.

Upon receipt of payment of the price bid, Trustee shall deliver to the purchaser Trustee's Deed conveying the property. The recitals in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of sale in the following order: (a) to all expenses of the sale including, but not limited to, Trustee's fees as permitted by Nebraska law and reasonable attorney fees; (b) to all sums secured by this security agreement; and (c) any excess to the person or persons legally entitled to it.

12. Upon acceleration under Paragraph 11 or abandonment of the property, Lender (in person, by agent, or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the property and to collect the rents of the property, including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney fees, and then to the sums secured by this security agreement.

13. Upon payment of all sums as herein provided, Lender shall direct Trustee to reconvey the property and shall surrender this security instrument and the note secured. Trustee shall reconvey the property without warranty and without change to the persons legally entitled to it.

14. Lender, at its option, may from time to time remove Trustee and appoint a successor Trustee by an instrument recorded in the county in which this security instrument is recorded. Without conveyance of the property, the successor Trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Nebraska law.

15. Borrower requests that copies of all notices provided herein by sent to Borrower's address, which is 303 Castor, Diller, NE 68342.

16. Future Advances: The above amount is secured even though all or part of it may not yet be advanced. Future advances are contemplated and will be secured to the same extent as if made on the date this deed of trust is executed.

17. This Deed of Trust is subordinate to the lien of **Countrywide Home Loans, Inc. (1st Mortgage)**
Blue Valley Community Action, Inc. (2nd Mortgage)

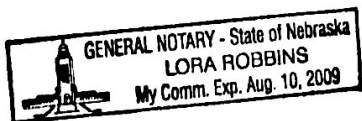
IN WITNESS WHEREOF the Borrower(s) have signed this agreement.

Amber D. Folkes
Borrower

Walter L. Folkes
Borrower

STATE OF NEBRASKA)
COUNTY OF Gage) SS

The foregoing instrument was acknowledged before me on June 27, 2006
By Amber D. Folkes and Walter L. Folkes, wife and husband



Lora Robbins
Notary Public

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EXHIBIT "A"

The South Half of Lot 4 and all of Lots 5 and 6, Block 5, Original Town of Diller, Jefferson County, Nebraska