



MISC 2006019379



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2006019379

**SUBORDINATION AGREEMENT**

**THIS SUBORDINATION AGREEMENT** (this “**Agreement**”) is made, as of February 17, 2006, by and between the **Nebraska District of The Lutheran Church-Missouri Synod**, a Nebraska nonprofit corporation (the “**District**”), and **Lutheran Church Extension Fund-Missouri Synod**, a Missouri nonprofit corporation (“**LCEF**”).

**RECITALS:**

A. The Lutheran Home, a Nebraska nonprofit corporation (the “**Owner**”), is the owner of all of that certain real property located in the City of Omaha, in the County of Douglas, in the State of Nebraska, as more particularly described in **Exhibit A** attached hereto and made a part hereof (the “**Property**”).

B. The Property is encumbered by that certain Deed of Trust (the “**District Deed of Trust**”) dated March 8, 2001, filed April 2, 2001, in Book 6386 at Page 636 of the Mortgage Records of Douglas County, Nebraska, executed by The Lutheran Home, a Nebraska nonprofit corporation, in favor of Kermit A. Brashear, II, Trustee and Nebraska District of The Lutheran Church – Missouri Synod, Beneficiary.

C. The Owner has executed and delivered to LCEF that certain Promissory Note for Permanent Loan of the Owner dated as of even date herewith in the original principal amount of Two Million Six Hundred Forty-Two Thousand Seven Hundred Forty-Six and 97/100 Dollars (\$2,642,746.97) (as the same may be modified, extended, renewed or restated from time to time, the “**Note**”).

D. As security for the Note, the Owner has executed a first lien Deed of Trust dated of even date herewith for the benefit of LCEF encumbering the Property (the “**LCEF Deed of Trust**”).

*misc*

EE 35.00 16-06540

6/10 BKP \_\_\_\_\_ COMP *[Signature]*  
DEL \_\_\_\_\_

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E. As a condition to LCEF's lending money to Owner as evidenced by the Note, LCEF is requiring that the District subordinate the District Deed of Trust to the lien of the LCEF Deed of Trust according to the terms of this Agreement.

**NOW, THEREFORE,** in consideration of the foregoing premises, the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, for themselves and for their respective successors and assigns, hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference as if fully set forth herein.

2. **Subordination.** The lien, encumbrance, charge, operation and effect of the District Deed of Trust, including without limitation all rights and remedies under any instrument evidencing the debt secured by the District Deed of Trust, are hereby fully subordinated to the lien, encumbrance, charge, operation and effect of the LCEF Deed of Trust and shall at all times hereafter be and remain inferior to the LCEF Deed of Trust and any modifications or restatements thereof. The parties hereto agree to enter into such further subordination instruments as may be mutually acceptable to them upon the request of a title insurance company in the event of such a modification or restatement of the LCEF Deed of Trust.

3. **Reliance on Subordination.** The District intentionally and unconditionally relinquishes and subordinates the lien of the District Deed of Trust, including without limitation all rights and remedies under the instruments evidencing the debt secured thereby, in favor of LCEF and understands that in reliance upon and in consideration of this waiver, specific amounts are being loaned to the Owner by LCEF that would not have been made but for reliance upon this subordination.

4. **Other Agreements.** The District represents and warrants that it has not and will not execute any other agreements with provisions contradictory or in opposition to the provisions of this Agreement and that, in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other conflicting requirements.

5. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns.

6. **Amendment.** This Agreement may not be modified except by an instrument in writing executed by each of the parties hereto.

7. **Severability.** Notwithstanding anything herein contained, if any one or more of the provisions of this Agreement shall for any reason whatsoever be held to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not

affect any other provision of this Agreement, but this Agreement shall be construed as if such illegal, invalid or unenforceable provision had never been contained herein.

8. **Headings.** The headings and titles to the sections of this Agreement are inserted for convenience only and shall not be deemed a part hereof nor affect the construction or interpretation of any provisions hereof.

9. **Governing Law.** This Agreement shall be governed by all applicable federal laws and the laws of the State of Nebraska.

10. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which counterparts shall be construed together and shall constitute but one agreement.

[Remainder of Page Intentionally Left Blank]

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

NEBRASKA DISTRICT OF THE  
LUTHERAN CHURCH-MISSOURI SYNOD

By: *Russell L. Sommerfeld*  
Printed Name: Russell L. Sommerfeld  
Title: President

By: *Roland A. Jank, Jr.*  
Printed Name: Roland A. Jank, Jr.  
Title: Secretary

STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF Seward        )

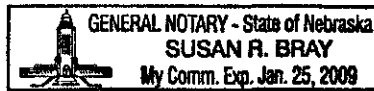
On Feb 13, 2006, before me, the undersigned, personally appeared Russell L. Sommerfeld, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and seal.

(SEAL)

*Susan R. Bray*  
Notary Public in and for said County and State

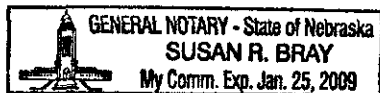
STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF Seward        )



On Feb 13, 2006, before me, the undersigned, personally appeared Roland A. Jank, Jr, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and seal.

(SEAL)



*Susan R. Bray*  
Notary Public in and for said County and State

[CONTINUATION OF SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LUTHERAN CHURCH EXTENSION  
FUND-MISSOURI SYNOD

By: Carolyn Schlimpert  
Printed Name: Carolyn Schlimpert  
Title: Vice President Loans

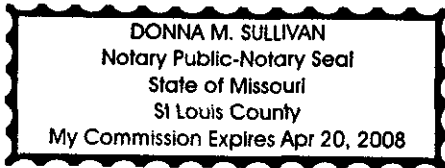
STATE OF MISSOURI                     )  
  ) ss.  
COUNTY OF ST. LOUIS                 )

On 2-14-06, 2006, before me, the undersigned, personally appeared Carolyn Schlimpert,\* personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. \* Vice President Loans

Witness my hand and seal.

(SEAL)

Donna M. Sullivan  
Notary Public in and for said County and State



**EXHIBIT A**  
**LEGAL DESCRIPTION**

The South 1/2 of Lot 1 and all of Lots 2, 3, 4, 5, 6, 7, and the North 48 feet of Lot 8, and all of Lots 27 and 28, all in CLARKE'S ST. MARY'S AVENUE ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded in Douglas County, Nebraska.

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