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DEED OF TRUST

THIS DEED OF TRUST, is made as of 15th day of June, 2006, by and among

THE LUTHERAN HOME FOUNDATION

("Trustor"), whose mailing address is 711 North 108th Court OMAHA, NE 68154 ;

Transnation Title Insurance Company c/o Spence Title ("Trustee"), whose mailing address is
1905 Harvey Street, Omaha, Nebraska 68102 and Lutheran Church Extension Fund -
Missouri Synod ("Beneficiary") whose mailing address is

P.O. Box 229009, St. Louis, MO 63122-9009,

FOR VALUABLE CONSIDERATION, Trustor irrevocably transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions of this Deed of Trust, the real property located in the City of Omaha, County of Douglas, State of Nebraska, and legally described as follows (the "Property"):

SEE ATTACHED EXHIBIT "A"

TOGETHER WITH, all rents, easements, appurtenances, hereditaments, interests in adjoining roads, streets and alleys, improvements and buildings of any kind situated thereon and all personal property that may be or hereafter become an integral part of such buildings and improvements, all crops raised thereon and all water rights.

The Property and the entire estate and interest conveyed to the Trustee are referred to collectively as the "Trust Estate".

FOR THE PURPOSE OF SECURING:

a. Payment of indebtedness in the total principal amount of \$4,000,000.00, with interest thereon, as evidenced by that certain promissory note of even date (the "Note") with a maturity date of June 15, 2026, See attached Exhibits "B" & "C", executed by Trustor, which has been delivered and is payable to the order of Beneficiary, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof, and

b. Payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest thereon at the rate of percent (%) per annum, and

c. The performance of Trustor's covenants and agreements.

This Deed of Trust, the Note, and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby are referred to collectively as the "Loan Instruments".

TO PROTECT THE SECURITY OF THIS DEED OF TRUST:

1. PAYMENT OF INDEBTEDNESS. Trustor shall pay when due the principal of, and the interest on, the indebtedness evidenced by the Note, charges, fees and all other sums as provided in the Loan Instruments.

2. TAXES AND ASSESSMENTS. Trustor shall pay all taxes and special assessments of every kind, now or hereafter levied against the trust estate of any part thereof as follows:
(initial one)

X Trustor shall directly pay such taxes, without notice or demand as each installment comes due and shall provide the beneficiary with evidence of the payment of the same.

 Trustor shall pay to beneficiary one-twelfth of the real estate taxes each month and such other assessments as they become due. The one-twelfth payment shall be adjusted annually as the taxes change and trustor agrees that after payment of the taxes each year that any deficiency will be promptly paid to Beneficiary. Beneficiary agrees to provide trustor with receipts showing that the real estate taxes have been paid in full and when due.

3. INSURANCE AND REPAIRS. Trustor shall maintain fire and extended coverage insurance insuring the improvements and buildings constituting part of the Trust Estate for an amount no less than the amount of the unpaid principal balance of the Note (co-insurance not exceeding 80% permitted). Such insurance policy shall contain a standard mortgage clause in favor of Beneficiary and shall not be cancellable, terminable or modifiable without ten (10) days prior written notice to Beneficiary. Trustor shall promptly repair, maintain and replace the Trust Estate or any part thereof so that, except for ordinary wear and tear, the Trust Estate shall not deteriorate. In no event shall the Trustor commit waste on or to the Trust Estate.

4. ACTIONS AFFECTING TRUST ESTATE. Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorney's fees. Any such costs and expenses not paid within ten (10) days of written demand shall draw interest at the default rate provided in the Note.

5. EMINENT DOMAIN. Should the Trust Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner including deed in lieu of Condemnation ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to

Beneficiary. Beneficiary shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Trustor (the "Proceeds") are hereby assigned to Beneficiary and Trustor agrees to execute such further assignments of the Proceeds as Beneficiary or Trustee may require.

6. FUTURE ADVANCES. Upon request of Trustor, Beneficiary, at Beneficiary's option, prior to reconveyance of the Property to Trustor may make future advances to Trustor. Such future advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

7. APPOINTMENT OF SUCCESSOR TRUSTEE. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and Recorded in County in which the Trust Estate is located and by otherwise complying with the provisions of the applicable law of the State of Nebraska substitute a successor or successors to the Trustee named herein or acting hereunder.

8. SUCCESSORS AND ASSIGNS. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, divorcee, personal representatives, successors and assigns. The term "Beneficiary" shall mean the owner and holder of the Note, whether or not named as Beneficiary herein.

9. INSPECTION. Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. TRUSTOR NOT RELEASED; FORBEARANCE BY BENEFICIARY NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Beneficiary to any successor in interest or Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or prelude the exercise of any right or remedy.

11. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN TRUSTOR. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Security Instrument, however, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Security Instrument. If Beneficiary exercises this option, Beneficiary shall give Trustor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Trustor must pay all sums secured by this Security Instrument. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Security Instrument without further notice or demand on Trustor.

12. EVENTS OF DEFAULT. Any of the following events shall be deemed an event of default hereunder:

a. Trustor shall have failed to make payment of any installment of interest, principal, or principal and interest or any other sum secured hereby when due; or

b. There has occurred a breach of or default under any term, covenant, agreement, condition, provision, representation or warranty contained in any of the Loan Instruments.

13. ACCELERATION; REMEDIES. Beneficiary shall give notice of default to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Trust Deed. 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 Trustor, 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 sums secured by this Security Instrument and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Beneficiary at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Trustor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 13, including, but not limited to, reasonable attorney's fees and costs of title evidence. If 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 applicable law to Trustor and to the other persons prescribed by applicable law. After the time required by applicable law, Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. Trustee, without demand on Trustor, 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. Beneficiary 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 the sale in the following order: (a) to all expenses of the sale, including, but not limited to, Trustee's fees as permitted by applicable law and reasonable attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

14. BENEFICIARY IN POSSESSION. Upon acceleration under paragraph 13 or abandonment of the Property, Beneficiary (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 Beneficiary 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's fees, and then to the sums secured by this Security Instrument.

15. REMEDIES NOT EXCLUSIVE. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgement against the Trustor to the extent such action is permitted by law.

16. GOVERNING LAW. This Deed of Trust shall be governed by the laws of the State of Nebraska. In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

17. RECONVEYANCE. Upon payment of all sums secured by this Security Instrument, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

18. REQUEST FOR NOTICES. Trustor requests that copies of the notices of default and sale be sent to Trustor's address which is the Property Address. Trustor further requests that copies of the notices of default and sale be sent to each person who is a party hereto at the address of such person set forth herein.

19. NOTICES. Any notice to Trustor provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Trustor designates by notice to Beneficiary. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice provided for in this Security Instrument shall be deemed to have been given to Trustor or Beneficiary when given as provided in this paragraph.

20. ACCEPTANCE BY TRUSTEE. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

THE LUTHERAN HOME FOUNDATION

By: Kermit A. Brashear, President

By: Delmer L. Toebben Secretary

(TO BE USED IF TRUSTOR IS A CORPORATION)

STATE OF NEBRASKA)
) SS.
COUNTY OF Douglas)

The foregoing Deed of Trust was acknowledged before me on June 14,
2006, by Kermit A. Brashear, President and Delmer L. Toebben, Secretary of The Lutheran
Home Foundation, a not for profit Corporation, on behalf of the Corporation.



Lisa K Mueller
Notary Public

My commission expires 09-08-09

EXHIBIT "A"

LEGAL DESCRIPTION

- PARCEL 1: Sublots 13, 14, and 15, of Lot 6, EXCEPT the Northerly 14 feet thereof, and all of Sublot 22, of Lot 6, all in CAPITOL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with the East Half (E½) of vacated 25th Avenue adjacent to said Sublots 13 and 22 on the West; and, Lots 16, 17 and 18, in KELLOGG PLACE, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT the Northerly 14 feet of said Lots 16 and 17, and EXCEPT that part of Lot 16 deeded to the City of Omaha. ²³⁻⁰⁵⁶⁶⁰ 4 3 16-19380
- PARCEL 2: Lots 11, 12, 13, 14, 15 and 16, and the North 54.16 feet of Lot 17, in THORNELLS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with the East Half (E½) of the vacated alley adjacent to said Lots 11, 12, 13, 14, 15, 16 and the North 37.16 feet of Lot 17 on the West. 7 18-38420
- PARCEL 3: The South Half (S½) of Lot 28, all of Lot 33, and all of that part of Lot 34 not taken for St. Mary's Avenue, all in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas county, Nebraska, together with the West Half (W½) of the vacated alley adjacent thereto on the East, and together with a 17 foot strip of vacated St. Mary's Avenue adjacent to said Lot 34 on the South. 3 16-14440
- PARCEL 4: Lots 32 and 35, in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with a strip of land seventeen feet wide adjacent to said Lot 35 on the South, being a part of St. Mary's Avenue vacated, all more particularly described as follows: 2
- Commencing at the Northeast corner of Lot 32, in said Griffin and Isaacs Addition; thence West, along the North line of said Lot 32, to the Northwest corner of said Lot 32; thence South, along the East line of the alley, to the North line of St. Mary's Avenue as now located; thence Northeast, along the North line of said St. Mary's Avenue, to the West line of 25th Avenue, said point being immediately South of the place of beginning; thence North, along said West line of 25th Avenue, to the place of beginning;
- Together with the East Half (E½) of the vacated alley adjacent thereto on the West.
- PARCEL 5: Lots 1 through 27, inclusive, the North Half (N½) of Lot 28, and all Lots 29, 30 and 31, in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska; 30 16-14440
- Together with the vacated portion of 25th Avenue adjacent to said Lots 1, 6, 7, 12 and part of Lot 13 on the West, and adjacent to said Lots 2, 5, 8, 11 and part of Lot 14 on the East;
- And, together with the vacated alley adjacent to said Lots 2, 5, 8, 11, 14, 17, 20, 23 and 26 on the West, and Lots 3, 4, 9, 10, 15, 16, 21, 22 and 27 on the East;
- And, together with the West Half (W½) of the vacated alley adjacent to said North Half of Lot 28 on the East;

And, together with the East Half (E½) of the vacated alley adjacent to said Lot 29 on the West;

And, together with the West Half (W½) of the vacated alley adjacent to said Lots 1, 6, 7, 12, 13, 18 and part of Lot 19 on the East;

And, together with seventeen feet of vacated St. Mary's Avenue adjacent to said Lot 31 on the South;

And, together with the vacated portion of Dewey Avenue adjacent to said property on the North.

PARCEL 6: Lots 13 and 14, in CLARKS ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT the North 68 feet thereof. 2
16-06540

PARCEL 7: Lots 11 and 12, in CLARKS ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska. " 2

PARCEL 8: The South 52 feet of Lot 1, the North 26 feet and the East 102 feet of the South 40 feet of Lot 2, the East 102 feet of Lot 3 and the East 15 feet of the South 78 feet of the North 92 feet of Lot 4, all in Block 3, in CAPITOL HILL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska. 4
16-05680

PARCEL 9: Lots 22 and 23 and the South Half (S½) of Lot 24, in CLARKS ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska. 3
16-06540

PARCEL 10: The South 52 feet of Lot 1 and all of Lots 2 and 3, in Block 4, in CAPITOL HILL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska; 3
16-05680

And, Lots 1 through 9, inclusive, in SWEETS SUBDIVISION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with all of vacated Sweetwood Avenue adjacent to said Lots 1, 2, 3, 4 and 5 on the West and adjacent to said Lots 6, 7, 8 and 9 on the East; 9
16-37920

And, The North 96 feet of the West 89 feet of the East 116 feet, and the South 94 feet of the West 80 feet of the East 107 feet of Sublot 12 of Lot 6, in CAPITOL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT that part of said Sublot 12 taken for Harney Street right-of-way, and TOGETHER WITH the West Half (W½) of vacated 25th Avenue adjacent to said portion of Sublot 12 on the East. 1
23-05660

EXHIBIT "B"

NOTE FORM 5
MONTHLY CHANGE DATE
PERMANENT NOTE
(Revised 02/01/2005)

LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD
Sunset Corporate Center, 10733 Sunset Office Drive
St. Louis, Missouri 63127-1219
PROMISSORY NOTE FOR PERMANENT LOAN

\$4,000,000.00

Date: June 15, 2006
Omaha, Nebraska

1. FOR VALUE RECEIVED, the undersigned The Lutheran Home and The Lutheran Home Foundation (collectively, the "Borrower"), corporations organized under the laws of the State of Nebraska, promise to pay to the order of LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD (the "Lender"), a Missouri nonprofit corporation, the principal sum of FOUR MILLION and 00/100 Dollars (\$4,000,000.00), together with interest thereon, as follows:

1.1 Interest. The rates of interest payable by Borrower to Lender hereunder are as follows:

1.1.1 Initial Interest Rate. From and including the date hereof until the first Change Date (as defined in 14.1), interest shall accrue and be payable on the principal balance from time to time outstanding at the rate of Six and one-eighth percent (6.125%) per annum.

1.1.2 Variable Interest Rate. From and including each Change Date, interest shall accrue and be payable on the principal balance from time to time outstanding at the Variable Interest Rate established in accordance with 14.4 for the period beginning with such Change Date and ending with and including the date immediately preceding the next Change Date.

1.2 Amounts and Due Dates of Installments. Beginning with the first Monthly Due Date (as defined in 14.3) following the date hereof, Borrower shall pay to Lender installments of principal and interest upon each and every Monthly Due Date during the term hereof, through and including the Maturity Date (as defined in 14.2).

1.2.1 Initial Installments. The amount of the monthly installment due and payable on the first Monthly Due Date shall be Twenty-Eight Thousand Nine Hundred Forty-Six and 44/100 Dollars (\$28,946.44).

1.2.2 Subsequent Installments. The amount of each monthly installment (other than the Final Installment as defined in 1.2.3) due and payable upon the Monthly Due Date following each Change Date shall be, as determined by Lender in Lender's sole discretion, either (i) the amount previously determined by Lender to be due and payable upon the Monthly Due Date coinciding with such Change Date or (ii) the amount (determined by Lender) which shall be sufficient to repay in full, by the Maturity Date, the outstanding principal balance owing hereunder on such Change Date, together with interest thereon at the Variable Interest Rate established in accordance with 14.4 for such Change Date, in equal monthly installments.

1.2.3 Final Installment. Borrower shall pay to Lender, on the Maturity Date, a final installment (herein referred to as "Final Installment") of all amounts then owing and unpaid under this Promissory Note, including (i) the full unpaid balance of the principal sum, (ii) all accrued and unpaid interest, and (iii) any penalties payable under the terms of this Promissory Note. Notwithstanding the preceding sentence, instead of making the payment on the Maturity Date as described above, Borrower may be permitted by Lender, in Lender's sole discretion, to continue to pay monthly installments in an amount that is at least equal to the amount of the last monthly installment preceding the Maturity Date, as determined in 1.2.2, until all amounts owing and unpaid under this Promissory Note, including (i) the full unpaid balance of the principal sum, (ii) all accrued and unpaid interest, (iii) any penalties payable under the terms of this Promissory Note, are paid in full; provided that in no event shall the amount of any such monthly installment payable on or after the Maturity Date be less than the amount (determined by Lender) which shall be sufficient to repay in full, by the date that is twelve (12) months after the Maturity Date, the outstanding principal balance owing hereunder on the last Change Date preceding such monthly installment, together with

interest thereon at the Variable Interest Rate established for such Change Date, in equal monthly installments; and provided further that, until such outstanding amounts are paid in full, interest and penalties shall continue to be determined and accrue and be payable on all such outstanding amounts as otherwise provided under the terms of this Promissory Note.

2. Application of Payments. All payments on account of the indebtedness evidenced by this Promissory Note shall be first applied to the payment of accrued but unpaid interest, then to principal, and the excess remaining thereafter shall be applied to the payment of late charges, if any, due and payable.

3. Place of Payment. All payments hereunder shall be made to Lender at such place and in such manner as Lender may from time to time require.

4. Prepayment. Borrower reserves the right to prepay this Promissory Note in whole, or subject to the conditions hereinafter stated, in part, on any installment payment date without premiums or penalty and without prior notice to the Lender. Any such prepayment shall be first applied against accrued but unpaid interest, and the excess, if any, shall be applied against principal, in the inverse order of actual maturity of installments hereunder (i.e. shall be first applied against the final monthly installment). No such partial prepayment shall relieve Borrower of its obligation to pay the next, and subsequent, monthly installment(s) hereunder until the entire indebtedness, together with interest, has been paid in full.

5. Security; Disclosure of Information.

5.1 Security. This Promissory Note is secured by a deed of trust or mortgage executed as of the same date this Promissory Note has been signed, on real estate situated in the County of Douglas, State of Nebraska (the "Property").

5.2 Progress Reports. On or before the first day of each calendar quarter, The Lutheran Home Foundation shall deliver to Lender a written report in a form satisfactory to Lender describing all actions taken and any commitments received during the prior calendar quarter to lease or sell the Richard Young Campus and/or Park East Medical Building.

5.3 Financial Information. Borrower shall provide to Lender such information (including nonfinancial information) as Lender may request from time to time in its sole discretion including, but not limited to, the following: (i) annual, quarterly or monthly financial statements including statements of financial position, statements of activities and changes in unrestricted net assets and statements of cash flows, (ii) year-to-date statements of operations as compared to budget, and (iii) cash flow projections.

5.4 Environmental Reports. Immediately after closing, The Lutheran Home Foundation shall request a letter of nonliability relating to the Property from the State of Nebraska, and shall provide Lender with a copy of such letter upon receipt. The Lutheran Home Foundation covenants and agrees to notify the Lender in writing of receipt of any notice that the Property is (i) not in full compliance with requirements of any applicable environmental law, including, but not limited to, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, any so-called "Superfund" law or any "Superlien" law, the Toxic Substances Control Act, and any other federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders, policy statements, or voluntary cleanup programs of governmental/regulatory agencies, or any judicial or administrative interpretation of any of the foregoing, or (ii) subject to federal, state or local investigation evaluating whether any remedial action is needed.

6. Dissolution, Merger, Use of Security. If Borrower is a member congregation of The Lutheran Church-Missouri Synod, 6.1 shall apply. If Borrower is recognized as a Recognized Service Organization of The Lutheran Church-Missouri Synod, 6.2 shall apply. If Borrower is neither a member congregation nor a Recognized Service Organization of The Lutheran Church-Missouri Synod, 6.3 shall apply.

6.1 Member Congregation. In the event that Borrower shall be dissolved, merge with any other congregation, cease to be a member congregation of The Lutheran Church-Missouri Synod, or cease to use the real estate subject to the aforementioned deed of trust or mortgage for the Borrower's regular worship services, or for its school, parsonage, teacherage, or other religious purposes, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender.

6.2 Recognized Service Organization. In the event that Borrower shall be dissolved, merge with any other corporation or entity, cease to be recognized by The Lutheran Church-Missouri Synod as a Recognized Service Organization, or cease to use the real estate subject to the aforementioned deed of trust or mortgage for the religious, charitable, or educational purposes of the Borrower, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of Lender.

6.3 Other Entities. In the event that Borrower shall be dissolved, merge with any other corporation or entity, cease to be an auxiliary, an agency or a part of The Lutheran Church-Missouri Synod, or cease to use the real estate subject to the aforementioned deed of trust or mortgage for the religious, charitable, or educational purposes of the Borrower, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of Lender.

7. Further Borrowing. In the event that Borrower shall, subsequent to the date hereof, engage in further borrowing, or become voluntarily indebted to any other lender, without the written consent of the Lender, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender.

8. Default in Payment or Performance. The entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender in the event of any of the following: (i) default in the payment of any installment of principal or interest when due in accordance with the terms hereof, (ii) default in the performance of any agreement contained in the mortgage or deed of trust securing payment of this Promissory Note, or (iii) default in the performance of any agreement given by Borrower in favor of Lender including, but not limited to, any covenant or agreement contained in this or any other promissory note, mortgage, any deed of trust, assignment, pledge, security agreement, or guaranty.

9. Late Charge. If any installment hereunder, or any portion thereof, is not paid when due, whether at stated maturity or by declaration, a late charge penalty of two percent (2%) of such past due amount shall be added to the amounts due hereunder, except that such late charge penalty shall not exceed the maximum amount permitted by law. Should interest not be paid when due, it shall thereafter bear like interest as the principal, but such unpaid interest so

compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law.

10. No Waiver. No delay, omission or indulgence by Lender in exercising or enforcing any rights or remedies shall impair or affect the same or be construed to be a waiver of or acquiescence in any default. Any single or partial exercise of any rights or remedies shall not preclude any other or further exercise thereof. No waiver by the Lender shall be valid unless in writing signed by said Lender, and then only to the extent specifically set forth in said writing.

11. Time is of the Essence. Time for the payment and performance of each and all of the obligations of the Borrower shall be of the essence hereof.

12. Assignment. The terms and provisions of this Promissory Note shall inure to the benefit of any assignee, transferee, or holder or holders hereof, and, in the event of any transfer or assignment of this note, each and all of the rights, remedies, powers, privileges and benefits herein granted the Lender shall automatically be vested in the assignee, transferee, holder or holders.

13. Waiver of Presentment, Protest, Notice. Borrower and all endorsers hereof severally waive presentment for payment, protest, notice of non-payment and of protest, and agree to pay all reasonable costs of collection, including attorneys' fees.

14. Definitions. For purposes of this Promissory Note, the following words and phrases shall have the following meanings:

14.1 "Change Date" shall mean every Monthly Due Date after the date hereof.

14.2 "Maturity Date" shall mean the Monthly Due Date of the 240th calendar month following the date hereof.

14.3 "Monthly Due Date" shall mean the fifteenth day in each month, beginning with the first calendar month following the date hereof. However, if such date is later in a month than the 28th day of the month, then the Monthly Due Date for February shall be the 28th day of February. Further, if such date is the 31st day of a month, then the Monthly Due Date shall fall on the 30th day in those months having only 30 days.

14.4 "Variable Interest Rate" shall mean that rate of interest, per annum, determined for each Change Date by Lender, adding up to (as it determines) two percentage points to Lender's Cost of Funds. Lender's Cost of Funds is the weighted average annual rate of interest, determined by Lender on a date selected by it, based upon the interest and other costs payable on or with respect to such of its outstanding investment and other obligations as shall be determined by Lender pursuant to Lender's lending procedures as in effect from time to time.

IN WITNESS WHEREOF, the Borrower has executed this Promissory Note as of the date first above stated.

THE LUTHERAN HOME

By: _____
Kermit A. Brashear, President

By: _____
Delmer T. Toebben, Secretary

THE LUTHERAN HOME FOUNDATION

By: _____
Kermit A. Brashear, President

By: _____
Delmer T. Toebben, Secretary

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EXHIBIT "C"

This security instrument is intended to be governed by the future advances law of the state in which the property secured is located and is also given to secure all extensions, renewals, or modifications of all or a part of said Note, to secure the performance of all covenants and agreements of the Borrower under the provisions of this security instrument, to secure the payment of all future advances, if any, made hereunder at the option of Lender or future obligations incurred by Lender for the reasonable protection of the lien and priority of Lender on the above described premises and to secure all other obligations of Borrower now or hereafter owing to Lender.