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GEORGE J. JONES  
REGISTRATION FEES  
DOUGLAS COUNTY, NE

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FEE 41.00 R <sup>see</sup> attached FB 24-12740  
DEL. C/O COMP VP  
LEGAL PG SCAN <sup>ON</sup> FV

AMERICAN NATIONAL BANK  
ATTN: LOAN OPS  
PO Box 2146  
Omaha, NE 68103-9735

ENVIRONMENTAL INDEMNITY AGREEMENT

# 116288  
THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "Indemnity"), dated as of May 29, 1996, is made by the undersigned GRACE UNIVERSITY (f/n/a GRACE COLLEGE OF THE BIBLE), a Nebraska non-profit corporation (the "Borrower") in favor of AMERICAN NATIONAL BANK, a national banking association ("Lender").

PRELIMINARY STATEMENT

Lender has agreed to make a loan to Borrower in the amount of \$550,000.00 (the "Loan"), which will be evidenced by that certain Promissory Note dated May 29, 1996 (the "Note"), executed by Borrower in favor of Lender in the aggregate principal amount set forth above.

The Loan will be secured by certain Deeds of Trust, dated as of July 1, 1992, which were previously executed by Borrower and delivered to Lender as trustee and beneficiary (the "Deed of Trust") encumbering Borrower's interests in the real estate described on Exhibit "A" attached hereto and by this reference incorporated herein.

To induce Lender to make the Loan, Borrower desires to enter into this Indemnity.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

Section 1. Definitions. Capitalized terms used in this Indemnity and not otherwise defined herein shall have the respective meanings given to them in the Deed of Trust. As used in this Indemnity, the following terms shall have the following meanings:

The "Property" means the real estate described on Exhibit "A" attached hereto and by this reference incorporated herein.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time (42 U.S.C. §§9601 et seq.)

"Code" means any applicable present and future state and local law, rule, regulation or ordinance, as amended from time to time, including, but not limited to, the following:

The Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801 et seq.;

The Nebraska Environmental Protection Act, as amended, §81-1501 et seq., R.R.S. 1943;

The Nebraska Asbestos Control Act, as amended, §71-6301 et seq., R.R.S. 1943;

The Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.;

The Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 et seq.;

The Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; and

The Clean Air Act, 42 U.S.C. §7401 et seq.

"Environmental Activity" means any actual, proposed or threatened storage, holding, existence, release, emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation of any Hazardous Substance from, under, into or on the Property or otherwise relating to the Property or the Use of the Property, or any other activity or occurrence that causes or would cause any such event to exist.

"Environmental Requirements" means all present and future federal, state and local laws and ordinances (including CERCLA and the applicable provisions of the Code and regulations promulgated thereunder), rules, regulations, authorizations, judgments, decrees, concessions, grants, franchises, agreements and other governmental restrictions and other agreements relating to the environment (including, without limitation, tidal and nontidal wetlands) or to any Hazardous Substance or Environmental Activity.

"Hazardous Substance" means, at any time, (a) any "hazardous substance", pollutant" or "contaminant" as defined in CERCLA or applicable sections, if any, of the Code at such time; (b) any "hazardous waste," "infectious waste" or "hazardous material" as defined in applicable sections, if any, of the Code at such time; (c) any additional substances or materials which at such time are classified or considered to be hazardous or toxic, or otherwise regulated under the laws of the state in which the Property is located or any other applicable laws, rules or regulations relating to the Property; and (d) any substance or material listed in the U. S. Department of Transportation Table (49 C.F.R. 172.101) and amendments thereto from time to time.

"Indemnitee" means Lender and its subsidiaries, directors, officers, agents, attorneys, employees, participants, successors and assigns.

"Use" means use, ownership, development, construction, maintenance, management, operation or occupancy.

Section 2. Representations and Warranties of Borrower. Borrower represents and warrants to Lender that: (a) Borrower is in compliance in all respects with all applicable Environmental Requirements relating to the Property and the Use of the Property, and Borrower has not engaged in any Environmental Activity, nor has any Environmental Activity otherwise occurred, in violation of any applicable Environmental Requirements; (b) no investigations, inquiries, orders, hearings, actions or other proceedings by or before any governmental agency are pending or threatened in connection with any Environmental Activity or alleged Environmental Activity; (c) Borrower has no liability, absolute or contingent, strict or joint and several, in connection with any Environmental Activity; (d) the Use of the Property for its intended purpose will not result in any Environmental Activity in violation of any applicable Environmental Requirements; and (e) Borrower has not engaged in any Environmental Activity, no Environmental Activity has otherwise occurred, and no notice, order, directive, complaint or other communication, written or oral, has been made or issued by any governmental agency or other person, entity or agency alleging the occurrence of any Environmental Activity in violation of any Environmental Requirements.

Section 3. Covenants of Borrower. Unless Lender otherwise consents in writing, Borrower shall, at its sole expense, at all times from the date of this Indemnity until the Note, together with accrued interest and any other sums due thereunder are paid in full and any other obligations which Borrower may now or at anytime hereafter owe to Lender are fully satisfied by Borrower: (a) comply in all material respects with all applicable Environmental Requirements relating to the Property and the Use of the Property, and not engage in or otherwise permit the occurrence of any Environmental Activity; and (b) promptly following the discovery by Borrower, deliver to Lender notice of any event that would render any representation or warranty contained in Section 2 of this Indemnity incorrect in any respect if made at the time of such discovery.

Section 4. Indemnity by Borrower. Borrower shall indemnify, defend and save and hold harmless each Indemnitee from and against any and all losses, liabilities, damages, costs and expenses (including, but not limited to, loss of property value, defects in title to the Property, and the reasonable fees and disbursements of the Indemnitee's legal counsel) suffered or incurred by any Indemnitee as a result of: (a) the occurrence of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Requirements relating to the Property or the Use of the Property; (b) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency which has resulted or is alleged to have

resulted directly or indirectly from any Environmental Activity relating to the Property or Use of the Property; (c) any failure of any representation or warranty of Borrower set forth in Section 2 above to be correct in all respects as of the date of this Indemnity; (d) any failure of Borrower to perform any covenant set forth in Section 3 above; or (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnatee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (a) through (d) of this Section 4 or any allegation of any such matters.

Section 5. Costs and Expenses. Borrower shall pay to each Indemnatee all costs and expenses (including the reasonable fees and disbursements of Indemnatee's legal counsel) incurred by any Indemnatee in connection with this Indemnity or the enforcement of the terms of this Indemnity.

Section 6. Survival of Indemnity. Borrower's obligations under this Indemnity shall survive the repayment of the Loan, the expiration or termination of the Note, the repayment of any other obligations which Borrower may now or at anytime hereafter owe to Lender, and any transfer of Borrower's title to the Property (whether by sale or foreclosure of the Deeds of Trust or by deed in lieu of foreclosure or otherwise).

Section 7. Security. This Indemnity and the obligations of Borrower under this Indemnity are secured by the Deeds of Trust.

Section 8. Notices. All notices, demands, requests, consents, approvals or communications required under this Indemnity shall be in writing and shall be deemed to have been properly given if sent by hand delivery, overnight courier or certified mail, postage prepaid, addressed to the parties at the following addresses:

If to Borrower:

Grace University  
1311 South 9th Street  
Omaha, NE 68108  
Attn: Marvin R. Epp

If to Lender:

American National Bank  
8990 West Dodge Road  
Omaha, NE 68114

or to such other addresses as are designated by notice pursuant to this Section.

IN WITNESS WHEREOF, Borrower has executed this Indemnity as of the day and year first above written.

GRACE UNIVERSITY (f/n/a GRACE COLLEGE OF THE BIBLE), a Nebraska non-profit corporation

By: *Neal F. McBride*  
PRESIDENT

*Marvin E. ...*  
V.P. BUSINESS & FINANCE

STATE OF NEBRASKA )  
 ) SS.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of May, 1996, by *Neal F. McBride*, *President* of GRACE UNIVERSITY (f/n/a GRACE COLLEGE OF THE BIBLE), a Nebraska non-profit corporation, on behalf of the corporation.



*Susan M. Sykora*  
Notary Public

My Commission Expires:

*August 11, 1999*

EXHIBIT A

LEGAL DESCRIPTION

Lots ~~1 to 6, Block 3,~~ and Lots ~~1 to 6, Block 4,~~ Forest Hill Addition, an Addition to the City of Omaha, as surveyed, platted and recorded in Douglas County, Nebraska.

-and-

The South 180 feet of the West 1500 Feet of the South Half of the Northwest Quarter and the West 1500 feet of the North Half of the Southwest Quarter, all in Section 33, Township 13 North, Range 11 East of the 6th P.M., Sarpy County, Nebraska.

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