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RICHARD N. TAKECH
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

RECORDATION REQUESTED BY:

American National Bank
8990 West Dodge Road
Omaha, NE 68114

WHEN RECORDED MAIL TO:

Corporate Loan Operations
Attn: Loan Operations
8990 West Dodge Road
Omaha, NE 68114

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REC SCAN DC EV

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS IS DATED AUGUST 4, 1998, between Grace University, f/k/a Grace Bible Institute, Inc., f/k/a Grace College of the Bible, a Nebraska Non-Profit Corporation, whose address is 1311 South 9th Street, Omaha, NE 68108-3629 (referred to below as "Grantor"); and American National Bank, whose address is 8990 West Dodge Road, Omaha, NE 68114 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Douglas County, State of Nebraska:

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

The Real Property or its address is commonly known as 831 Pine Street, Omaha, NE 68108-3638.

DEFINITIONS. The following words shall have the following meanings when used in this Assignment. Terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Assignment. The word "Assignment" means this Assignment of Rents between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Rents.

Existing Indebtedness. The words "Existing Indebtedness" mean an existing obligation which may be secured by this Assignment.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

Grantor. The word "Grantor" means Grace University.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Assignment, together with interest on such amounts as provided in this Assignment. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such Indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means American National Bank, its successors and assigns.

Note. The word "Note" means the promissory note or credit agreement dated August 4, 1998, in the original principal amount of \$500,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means the real property, and all improvements thereon, described above in the "Assignment" section.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Property Definition" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Insecurety. Lender in good faith deems itself insecure.

Adverse Change. A material adverse change occurs in Granta's financial condition, or Lennder believes the prospect of payment or performance of the indebtedness is impaired.

Events Affecting Guarantor: Any of the preceding events which occurs with respect to any Guarantor or any of the indebtednesses or any Guarantor or becomes incompetent, or revokes or disqualifies the validity of, or liability under, any Guaranty of the indebtedness.

apply in the event of a good faith dispute by Granitor as to the validity or reasonableness of the claim which is the basis of the foreclosure or foreclosure proceeding, provided that Granitor gives Lennder written notice of such claim and furnishes reserves or a surety bond for the claim satisfactorily to Lennder.

proceeding under any bankruptcy or insolvency laws by or against Grantor.

Grantor and Lender. The dissolution or termination of Grantor's existence as a going business, following the application of a receiver in insolvency.

Defective Collective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest) at any time and for any reason.

or in any of the Related Documents.

Debtors - Each of the jointowners, at the option of Lender, shall constitute an event of default (Event of Default) under this Assignment. Failure of Grantor to make any payment when due on the indebtedness.

that it otherwise would have had.

notes. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be proportioned among and be payable with any instalment payments to become due during either (i) the term of any applicable insurance policy or (ii) the ballooning term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Assignment also will

Assignment fee required by law shall be paid by Grantor, if permitted by applicable law. Any assignments of any financing statement or file evidence concerning Lender's security interest in the Rents and the Property. Any

PERFORMANCE. If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment and does not remunerate from the Remits shall become a part of the indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from the date of expenditure until paid.

PPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender

exclusively and solely in the place and stead of Granter and to have all of the powers of Granter for the purposes stated above.

Employer Agents. Lender may engage such agents or agents such as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Lease the Property. Landlord may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

persons from the Property.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants of from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or other

Notice to Tenants. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Agreement.

Rights to Assign. Grantor has the full right, power, and authority to enter into this Assignment and convey the Rents to Lender, Right to Assign. Grantor has the full right, power, and authority to enter into this Assignment and convey the Rents to Lender, No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to the heirs, grantor, heirs, and devisees in the instrument or instruments by which the property was devised or transferred to the **Heirs**, will respect to the heirs, grantor, heirs, and devisees in the instrument or instruments by which the property was devised or transferred to the **Heirs**.

Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of the Property and collect the Rents, provided that the granting of the right to collect the Rents does not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

ACCEPTED ON THE FOLLOWING TERMS:

Including without limitation all leases described on any exhibit attached to this Assignment.

(Continued)

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Collect Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Assignment shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Assignment after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Assignment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Note. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Assignment has been delivered to Lender and accepted by Lender in the State of Nebraska. This Assignment shall be governed by and construed in accordance with the laws of the State of Nebraska.

Multiple Parties; Corporate Authority. All obligations of Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Assignment.

No Modification. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Assignment by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Assignment in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

Time Is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Nebraska as to all Indebtedness secured by this Assignment.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Assignment (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Assignment shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

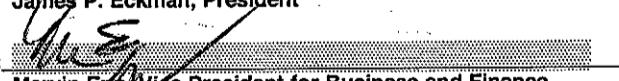
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT OF RENTS, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

Grace University

By: 

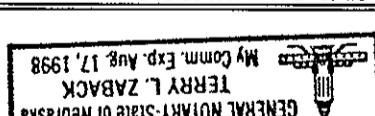
James P. Eckman, President

By: 

Marvin Epp, Vice President for Business and Finance

CORPORATE ACKNOWLEDGMENT

On this 4th day of August, 1998, before me, the undersigned Notary Public, personally appeared James P. Eckman, President; and Marvin Epp, Vice President for Business and Finance of Grace University, and known to me to be authorized agents of the corporation that executed the Assignment of Rents and acknowledged the Assignment to be the true and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Assignment and in fact executed the Assignment on behalf of the corporation.



Notary Public in and for the State of Nebraska
Residing at Omaha, NE
By Douglas

My commission expires

COUNTY OF Douglas
)
) ss

STATE OF Nebraska
)