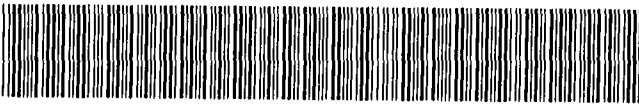


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**DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND FINANCING STATEMENT**

made by

GRACE UNIVERSITY,
formerly known as Grace College of the Bible, Inc.,
a Nebraska nonprofit corporation,
as Trustor,

to

AMERICAN NATIONAL BANK, Omaha, Nebraska,
a national banking association duly organized and validly existing
under and by virtue of the laws of the United States of America,
as Trustee

for the benefit of

AMERICAN NATIONAL BANK,
as Lender
under the Master Loan Agreement hereinafter identified

Dated as of December 1, 2010

This Deed of Trust is made under the laws of the State of Nebraska. This Deed of Trust constitutes a security interest and is a security agreement under the laws of the State of Nebraska. This Deed of Trust constitutes a fixture filing under Section 9-401 of the Uniform Commercial Code of the State of Nebraska.

When filed return to:
Kutak Rock, LLP
1650 Farnam St
Omaha, NE 68102

✓ 1138026

**DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND FINANCING STATEMENT**

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, dated as of December 1, 2010, made by **GRACE UNIVERSITY**, formerly known as Grace College of the Bible, Inc. ("Trustor"), a nonprofit corporation duly organized and in good standing under the laws of the State of Nebraska ("State" or "Governing Jurisdiction"), to American National Bank, Omaha, Nebraska, a national banking association duly organized and validly existing under and by virtue of the laws of the United States of America ("Trustee"), for the benefit of American National Bank, Omaha, Nebraska, in its capacity as Lender under the Master Loan Agreement hereinafter identified and referred to ("Beneficiary").

WITNESSETH:

WHEREAS, Nebraska Educational Finance Authority ("Authority"), a body politic and corporate constituting a public instrumentality of the State, organized and validly existing under the laws of the State, has agreed to issue its \$2,900,000 Educational Facilities Refunding Loan Note, Series 2010 (Grace University Project) (the "2010 Note"), in accordance with the provisions of the Nebraska Educational Facilities Authority Act, Article 17, Chapter 85, Reissue Revised Statutes of Nebraska, 2008, as amended (the "Act"), pursuant to a Master Loan Agreement dated as of December 1, 2010 (the "Master Loan Agreement") between Authority and Beneficiary and loan the proceeds thereof to Trustor to provide the funds necessary to (1) retire \$2,920,000 of Trustor's outstanding indebtedness (the "Outstanding Debt"), the proceeds of which were used by Trustor for the purpose of acquiring, purchasing, constructing, installing, equipping and completing certain improvements to its Omaha, Nebraska educational facilities, which principally consisted of a number of energy conservation improvements, improvements to the two radio stations formerly owned and operated by Trustor (which retains the improvements), acquisition of several parcels of real estate adjacent to Trustor's campus and the demolition of certain improvements located thereon, campus landscaping, exterior improvements to several existing campus buildings, reconstruction of certain existing parking lots, construction of an additional parking lot, demolition of certain existing campus structures, a number of improvements to campus dormitories, and the making of a variety of improvements to other campus facilities (the improvements described in this paragraph being collectively referred to herein as the "Project"), (2) fund a debt service reserve fund, and (3) pay a portion of the costs of issuing the 2010 Note, which property referred to above is, or will be, owned by Trustor, pursuant to the Master Loan Agreement.

In consideration of the foregoing and other good and valuable consideration, Trustor hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE and right of entry and possession, all of Trustor's estate, right, title and interest in, to and under, and grants to Beneficiary, to the extent of Trustor's estate, right, title and interest, a security interest in, any and all of the following described property, which is (except where the context otherwise requires) herein collectively called the "Property," and any proceeds, products, accessories, rents, profits, replacements and substitutions thereof or thereto, including:

A. The parcel(s) or tract(s) of real estate described in Exhibit A hereto (the "Premises"), together with all of the easements, rights, privileges, franchises and appurtenances belonging or in any way pertaining thereto whatsoever, either at law or in equity;

B. All structures, buildings, fixtures and improvements of every kind and description now or at any time hereafter located on or used in connection with the Premises and any replacements thereof or additions thereto (the "Improvements");

C. All fixtures and items of personal property described, identified and referred to in Exhibit B attached hereto (the "Personal Property"). If the lien of this Deed of Trust on any fixtures or Personal Property be or become subject to a lease agreement, conditional sale agreement or chattel mortgage covering such property, then all the rights, title and interest of Trustor in and to any and all deposits made thereon or therefor are hereby assigned to Trustee, together with the benefit of any payments now or hereafter made thereon;

D. All of the Gross Revenues of Trustor as defined, described and referred to in Exhibit C hereto (the "Gross Revenues");

E. All right, title and interest of Trustor in and to all streets, roads and public places, opened or proposed, and all easements and rights of way, public or private, tenements, hereditaments, rights and appurtenances, now or hereafter used in connection with, belonging or appertaining to, the Premises; and

F. All proceeds (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards.

FOR ALL PURPOSES HEREOF, words and phrases defined in the Master Loan Agreement shall have the same meaning in this Deed of Trust, such definitions being hereby incorporated herein and made a part hereof.

ARTICLE I

COVENANTS OF TRUSTOR

Trustor covenants, warrants and agrees to and with Beneficiary and Trustee as follows:

Section 1.01. Warranty of Title. Trustor is lawfully seized of the Property hereby conveyed, has the right to grant and convey the Property, and has good and marketable title to the Property subject to no lien, charge or encumbrance except Permitted Encumbrances and such as are listed as exceptions to title in the title policy or policies, if any, insuring the lien of this Deed of Trust issued by a title company or companies not reasonably objected to by Beneficiary; Trustor owns, or upon acquisition thereof will own, the Personal Property free and clear of liens and claims; and this Deed of Trust is and will remain a valid and enforceable first lien on the Property subject only to the exceptions referred to above. Trustor has full power and lawful authority to grant, assign, transfer and mortgage its interest in the Property in the manner and form hereby done or intended. Trustor will preserve its interest in, and title to, the Property and will forever warrant and defend the same to Trustee and will forever warrant and defend the

validity and priority of the lien hereof against the claims of all persons and parties whomsoever. Trustor shall promptly and completely observe, perform and discharge each and every obligation, covenant and agreement affecting the Property whether the same is prior and superior or subject and subordinate hereto.

Section 1.02. Further Assurances. Trustor shall, at its own cost and without expense to Trustee or Beneficiary, promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further conveyances, confirmations, instruments or further assurances and consents as Beneficiary may deem to be necessary or proper in order to effectuate, perfect, evidence or protect the lien, covenants and agreements created by or contained in this Deed of Trust, including, without limitation, the granting of a security interest to Beneficiary in any Additional Real Property hereafter acquired by Trustor, and in any fixtures or personal property located thereon. Trustor shall cause to be timely and properly filed, registered or recorded any existing documents or instrument of further assurance necessary to fully protect the lien of this Deed of Trust. Trustor shall pay all costs and expenses, including recording fees and taxes, incident to the execution and filing, registration and/or recording of this Deed of Trust and any instrument of further assurance.

Section 1.03. Insurance. Trustor will keep the Property insured as provided in the Master Loan Agreement.

Section 1.04. Condemnation. Trustor, upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof or knowledge of any casualty damage to the Property or damage of any other kind, will immediately notify Beneficiary. All compensation, awards, proceeds, damages, claims, rights of action and payments to which Trustor may become entitled shall be applied as provided in the Master Loan Agreement.

Section 1.05. Taxes, Assessments and Charges.

(a) Trustor will pay when due all real estate taxes, personal property taxes, special assessments, assessments, charges, fines and impositions, if any, imposed upon, assessed against or otherwise relating to the Property or any part thereof, and any leasehold payments or ground rents, if any, as provided in the Master Loan Agreement; provided, however, Trustor shall have the right to contest any of the foregoing in accordance with applicable laws, provided further that Trustor pays the same promptly upon the entry of a final adjudication, including all appeals pursued by Trustor.

(b) Trustor will pay when due all such claims or demands as are admitted by Trustor or are established pursuant to the entry of a final judgment (or mandate in the case of an appeal) of mechanics, materialmen, laborers and others which might result in the creation of a lien on the Property.

Section 1.06. Conversion of Security. All right, title and interest of Trustor in and to all extensions, improvements, betterments, renewals, substitutions and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by, or released to, Trustor or constructed, assembled or placed by Trustor on the Premises, and all conversions of the security

constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be and in each such case, without any further deed of trust, conveyance, assignment or other act by Trustor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and specifically described in the granting clause hereof, but at any and all times Trustor will execute and deliver to Trustee any and all such further assurances, deeds of trust, conveyances or assignments thereof as Trustee or Beneficiary may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Deed of Trust.

Section 1.07. Nebraska Uniform Commercial Code Security Interest and Financing Statement. This instrument is intended to be a security agreement pursuant to the Nebraska Uniform Commercial Code covering any of the items or types of property included as part of Trustor's Property and that may be subject to a security interest pursuant to the Nebraska Uniform Commercial Code, and Trustor hereby grants Beneficiary a security interest in such items or types of property. This Deed of Trust or a reproduction hereof is sufficient as a financing statement, and, as a financing statement, it covers, among other things, goods which are or are to become fixtures within the real estate described in Exhibit A attached hereto. In addition, Trustor will execute and deliver to Beneficiary, upon the Beneficiary's request, any financing statements or amendments thereof or continuation statements thereto that Beneficiary may require to perfect a security interest in said items or types of property. Trustor shall pay all costs of filing such instruments. The following sets forth information required by the Nebraska Uniform Commercial Code.

- | | |
|---|---|
| (a) Debtor and address: | Grace University
1311 South 9 th Street
Omaha, NE 68108-3629
Attention: President, with a copy to the
Executive Vice President |
| (b) Secured party and address: | American National Bank
Post Office Box 2139
Omaha, NE 68103-2139 |
| (c) Maturity date: | December 1, 2019 |
| (d) This financing statement covers the following types (or items) of property: | Those items described as (i) Improvements in this Deed of Trust and located on the real estate described in Exhibit A hereto, and (ii) the Personal Property described in Exhibit B hereto. |

Section 1.08. Pledge of Gross Revenues.

- (a) The Gross Revenues are hereby pledged to Beneficiary as security for the payment of all sums payable under the Master Loan Agreement and of all other sums payable under this Deed of Trust. The terms and conditions of this pledge are to be determined by the terms and conditions of the Master Loan Agreement.

(b) Trustor will not execute an assignment of any of its right, title or interest in any of its general intangibles or in any other manner impair the value of the Property or the security of this Deed of Trust.

(c) Trustor will not execute any lease of all or a substantial portion of the Property other than in the manner, if any, permitted by the Master Loan Agreement, and will at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all leases of the Property now or hereafter existing, on the part of the lessor thereunder to be kept and performed.

Section 1.09. Assignment of Rents and Leases.

(a) As additional security for the 2010 Note secured by this Deed of Trust, Trustor hereby assigns, sells, transfers and conveys to Beneficiary during the continuance of this Deed of Trust, all contracts, leases, subleases and agreements relating to the sale, lease, sublease or use of any portion of the Property, together with all sales proceeds, rents, subrents, issues, royalties, income and profits of and from the Property. Until the occurrence of an Event of Default, Trustor may collect and use all such sales proceeds, rents, subrents, issues, royalties, income and profits, as they become due and payable, and may retain, use and enjoy the Property. Upon the occurrence and continuance of an Event of Default hereunder, Trustor's right to collect and use any of such proceeds shall cease, and Beneficiary, shall have the right, with or without taking possession of the Property, and either in person, by agent or through a court appointed receiver (Trustor hereby consents to the appointment of Beneficiary or Beneficiary's designee as such receiver), to sue for or otherwise collect all such sales proceeds, rents, subrents, issues, royalties, income and profits, including those past due and unpaid. Any sums so collected, after the deduction of all costs and expenses of operation and collection (regardless of the particular nature thereof and whether incurred with or without suit or before or after judgment), including reasonable attorney fees, shall be applied toward the payment of the 2010 Note. Such right of collection and use of such proceeds by Beneficiary shall obtain both before and after the exercise of the power of sale provisions of this Deed of Trust, the foreclosure of this Deed of Trust and throughout any period of redemption. The rights granted under this Section 1.09 shall in no way be dependent upon and shall apply without regard to whether all or a portion of the Property is in danger of being lost, removed or materially injured, or whether the Property or any other security is adequate to discharge the 2010 Note secured by this Deed of Trust. Beneficiary's failure or discontinuance at any time to collect any of such proceeds shall not in any manner affect the right, power and authority of Beneficiary thereafter to collect the same. Nothing contained herein, nor Beneficiary's exercise of Beneficiary's right to collect such proceeds, shall be, or be construed to be, an affirmation by Beneficiary of any contractual interest, tenancy, lease, sublease, option or other interest in the Property, or an assumption of liability under, or a subordination of the lien or charge of this Deed of Trust to any contractual interest, tenancy, lease, sublease, option or other interest in the Trust Estate. All purchasers, tenants, lessees, sublessees and other persons who have any obligation to make any payment to Trustor in connection with the Property or any portion thereof are hereby authorized and directed to pay the rents, subrents, issues, royalties, income, profits and other payments payable by them with respect to the Property, or any

portion thereof, directly to Beneficiary on the demand of Beneficiary. Beneficiary's receipt of such sales proceeds, rents, subrents, issues, royalties, income and profits shall be a good and sufficient discharge of the obligation of the purchaser, tenant, lessee, sublessee or other person concerned to make the payment connected with the amount so received by Beneficiary.

(b) The entering upon and taking possession of the Property or any portion of the Property or the collection of sale proceeds, rents, subrents, issues, royalties, income, profits, proceeds of fire and other insurance policies, or compensation or awards for any taking or damaging of the Property, or the application or release thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder, shall not invalidate any act done pursuant to such notice of default, and shall not operate to postpone or suspend the obligation to make, or have the effect of altering the size of, any scheduled installments provided for in the Note secured by this Deed of Trust.

(c) Trustor shall indemnify and hold Beneficiary harmless from and against all claims, demands, judgments, liabilities, actions, costs and fees (including reasonable attorney fees and costs) arising from or related to receipt by Beneficiary of the sale proceeds, rents, subrents, issues, royalties, income and profits from the Property or any portion of the Property, except negligent or willful acts of Beneficiary.

Section 1.10. Impositions. Trustor shall pay all reasonable costs, fees and expenses of Trustee, its agents and legal counsel in connection with the performance of its duties hereunder; and Trustor shall pay all taxes (except federal and state income taxes) and any other governmental charges or impositions imposed by any governmental authority or Trustee or Beneficiary by reason of their interests in the Master Loan Agreement, the 2010 Note or this Deed of Trust.

Section 1.11. Subrogation. Beneficiary shall be subrogated for the full amount, notwithstanding their release of record at a discount, to any construction, mechanic's or vendor's lien or liens, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities and charges of all kinds heretofore or hereafter existing on the Property to the extent that the same are paid or discharged from the proceeds of the loan evidenced by the Master Loan Agreement and the 2010 Note.

Section 1.12. Release of Liability or Performance. Without affecting the liability of Trustor or of any other person who is or shall become bound by the terms of this Deed of Trust or who is or shall become liable for the performance of any obligation secured hereby, Beneficiary may, in such manner, upon such terms and at such times as it deems best and without notice or demand, release any party now or hereafter liable for the performance of any such obligation, extend the time for such performance, accept additional security therefor, and alter, substitute or release any property securing such performance. No exercise or nonexercise by Beneficiary of any of its rights under this Deed of Trust, no dealing by Beneficiary with any person, firm or corporation and no change, impairment, loss or suspension of any right or remedy of Beneficiary shall in any way affect any of the obligations of Trustor hereunder or any security furnished by Trustor, or give Trustor any recourse against Beneficiary.

ARTICLE II

EVENTS OF DEFAULT

The following shall each constitute an event of default ("Event of Default") hereunder:

(a) the failure by Trustor in the due, prompt and complete observance and performance of any payment, obligation, material covenant, material warranty, material representation or agreement contained in this Deed of Trust, subject to any curative provisions contained herein, if any, and, if no curative provisions are provided, then for a period of 30 days after written notice to Trustor from Beneficiary specifying the nature thereof (or within such additional period, if any, as may be reasonably required to cure such default if it is of such nature that it cannot be cured within said 30-day period, provided that Trustor commences curative or corrective action within such 30-day period and diligently pursues such action until the failure of observance or performance is cured or corrected);

(b) the occurrence of an Event of Default (as defined in the Master Loan Agreement) under the Master Loan Agreement;

(c) the appointment pursuant to an order of a court of competent jurisdiction of a trustee, receiver or liquidator of Trustor or of the Property or any part thereof, if such appointment is not dismissed within 30 days; and

(d) the sale, assignment, conveyance, transfer, disposition or further encumbering of the Property, or any part thereof, or any interest therein, either voluntarily, involuntarily or by operation of law, or any agreement so to do, except as provided in, or as permitted by, the Master Loan Agreement.

ARTICLE III

REMEDIES

Upon the occurrence of any Event of Default, Trustee and Beneficiary shall have the following rights and remedies:

Section 3.01. Acceleration. Subject to the provisions of the Master Loan Agreement, Beneficiary may, without notice, declare sums secured by this Deed of Trust to be due and payable immediately, and said sums shall thereupon become and be immediately due and payable without presentment, demand, protest or notice of any kind.

Section 3.02. Beneficiary Powers. Trustor shall pay Beneficiary interest on all sums expended by Trustee in connection herewith. Beneficiary, in accordance with the terms of this Deed of Trust, shall accrue interest as provided in the Master Loan Agreement. Irrespective of whether Beneficiary exercises the option provided in Section 3.01 above, Beneficiary in person or by agent may, without any obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereunder: (a) make any payment or do any act which Trustor has failed to make or do; (b) enter upon, take possession of, manage and operate

the Property or any part thereof; (c) exclude or evict Trustor from the Property; (d) make or enforce or, if the same be subject to modification or cancellation, modify or cancel any leases of the Property, or any part thereof, upon such terms or conditions as Beneficiary deems proper; (e) obtain and evict tenants, and fix or modify rents, make repairs and alterations, and do any acts which Beneficiary deems proper to protect the security hereof; and (f) with or without taking possession, in its own name or in the name of Trustor, sue for or otherwise collect the Gross Revenues and apply the same less costs and expenses of operation and collection, including reasonable attorneys' fees. Upon request of Beneficiary, Trustor shall assemble and make available to Beneficiary at the Premises any of the Property which has been removed therefrom. The entering upon and taking possession of the Property, the collection of any Gross Revenues and the application thereof as aforesaid shall not cure or waive any default theretofore or thereafter occurring or affect any notice of default hereunder or invalidate any act done pursuant to any such notice. Trustee or Beneficiary shall be entitled, at its election and without notice, to the appointment of a receiver or receivers for the Property; provided, however, that any of the actions referred to in this Section 3.02 may be taken by Beneficiary, either in person or by agent, with or without bringing any action or proceeding, or by receiver, and any such action may also be taken without regard to the adequacy of the security for the indebtedness hereby secured. Further, Beneficiary, at the expense of Trustor, either by purchase, repair or construction, may from time to time maintain and restore the Property, or any part thereof, and complete construction of the Improvements incomplete as of the date thereof and in the course of such completion may make such changes in the contemplated Improvements as Beneficiary may deem desirable and may insure the same.

Section 3.03. Foreclosure. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust or to enforce any of the covenants and agreements hereof.

Section 3.04. Power To Sell. Beneficiary may elect to cause the Property, or any part thereof, to be sold as follows:

(a) If Beneficiary elects to exercise its power of sale with respect to the Property, or any part thereof, Trustee shall record a notice of default in each county in which any part of such Property is located and shall mail copies of such notice in the manner prescribed by applicable law to Trustor and to other persons prescribed by applicable law. After the time required by applicable law, Trustee shall give public notice of the sale to the persons and in the manner prescribed by applicable law. Trustee, without demand on Trustor, shall sell such 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 part of the Property in accordance with the provisions of applicable law. Any person, including, without limitation, Trustee or Beneficiary, or its designee, may purchase at any such sale. Upon receipt of the price bid, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property that is sold. The recitals in the Trustee's Deed of any matter of fact shall be conclusive proof of the truthfulness thereof.

(b) Should Beneficiary elect to cause the disposal of any of the Property subject to the security agreement in Section 1.07, it may dispose of any part thereof in

any manner now or hereafter permitted by the Uniform Commercial Code of the Governing Jurisdiction or in accordance with any other remedy provided by law. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Both Trustee and Beneficiary shall be eligible to purchase any part or all of such Property at any such disposition. Any such disposition may be either public or private as Beneficiary may elect, subject to the provisions of the Uniform Commercial Code of the Governing Jurisdiction. Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the Governing Jurisdiction. Expenses of retaking, holding, preparing for sale, selling or the like shall include Beneficiary's reasonable attorneys' fees and legal expenses, and upon such default Trustor, upon demand of Beneficiary, shall assemble such Property and make it available to Beneficiary at the Premises, a place which is hereby deemed reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least 30 days' prior written notice of the time and place of any public sale or other disposition of such Property or of the time at or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Trustor, in the manner provided for the mailing of notices herein, it shall constitute reasonable notice to Trustor.

(c) Trustee is hereby irrevocably appointed the true and lawful attorney-in-fact of Trustor in its name and stead to make all necessary conveyances, assignments, transfers and deliveries of the Property, or any part thereof, and the rights so sold and, for that purpose, Trustee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Trustor hereby ratifying and confirming all that its said attorney or any substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, Trustor, if so requested by Trustee or Beneficiary, shall ratify and confirm any such sale or sales by executing and delivering to Trustee or to such purchaser or purchasers all such instruments as may be advisable in the reasonable judgment of Trustee or Beneficiary, for the purpose as may be designated in such request.

(d) Trustor hereby expressly waives any right which it may have to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto.

Section 3.05. Proceeds. Unless otherwise provided by law, the proceeds of any sale made and all sums recovered under this Article III, together with all other sums held by Trustee or Beneficiary under this Deed of Trust, shall be applied in the following order:

FIRST, to the extent allowable under the laws of the Governing Jurisdiction, to all costs and expenses incurred in connection with the exercise of the power of sale, the sale or sales and any judicial proceedings, including, but not limited to, all Trustee's and attorneys' fees and expenses, and the costs of any title evidence;

SECOND, to the payment of any and all sums expended by Trustee or Beneficiary in accordance with the terms of this Deed of Trust or the Master Loan Agreement, together with accrued interest as provided by the Master Loan Agreement, including all expenses, liabilities and advances made or incurred by Beneficiary under

this Deed of Trust, or in connection with the enforcement hereof, together with interest on all advances;

THIRD, the payment of all sums owing under the Master Loan Agreement; and

FOURTH, the remainder, if any, to the person or persons legally entitled thereto.

Section 3.06. Power To Purchase. Trustee or Beneficiary, or its designee, may purchase at any sale or sales made under or by virtue of this Article III. No recovery of any judgment by Beneficiary and no levy of any execution under any judgment upon the Property or upon any other property of Trustor shall affect, in any manner or to any extent, the lien of this Deed of Trust upon the Property, or any part thereof, or any liens, rights, powers or remedies of Trustee or Beneficiary hereunder, but such liens, rights, powers and remedies of Trustee and Beneficiary shall continue unimpaired as before.

Section 3.07. Possession. Notwithstanding the appointment of any receiver, liquidator or trustee of Trustor, or of any of its property, or of the Property or any part thereof, Trustee and Beneficiary shall be entitled to retain possession and control of all Property now or hereafter held under this Deed of Trust.

Section 3.08. Other Remedies. Beneficiary may elect to exercise any other remedies at law or in equity.

Section 3.09. Beneficiary's Other Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (a) release any person so liable, (b) extend the maturity or alter any of the terms of any such obligations, (c) grant other indulgences, (d) release or reconvey, or cause to be released or reconveyed, at any time at Beneficiary's option any portion or all of the Property, and (e) make compromises or other arrangements with debtors in relation thereto.

Section 3.10. Remedies Not Exclusive. No remedy or right in this Deed of Trust is intended to be exclusive of any other remedy herein or by law provided, 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. No delay or omission of Trustee or Beneficiary in exercising any right or remedy contained in this Deed of Trust shall be construed to be a waiver of any Event of Default or any acquiescence therein, and every right and remedy given by this Deed of Trust to Trustee or Beneficiary may be exercised from time to time as often as may be deemed expedient by Trustee or Beneficiary. If there exists additional security for the performance of the obligations secured hereby, Beneficiary, at its sole option, and without limiting or affecting any of the rights or remedies hereunder, may exercise any of the rights and remedies to which it may be entitled hereunder, either concurrently with whatever rights it may have in connection with such other security or in such order as it may determine. Nothing in this Deed of Trust shall affect the obligation of Trustor to pay the amounts due or to become due under the Master Loan Agreement in the manner and at the time and place therein expressed.

Section 3.11. Waiver by Trustor. To the fullest extent permitted by applicable law, Trustor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law or law pertaining to the marshaling of assets, the administration of estates and decedents, any exemption from execution or sale of the Property, or any part thereof, including exemption of homestead, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Deed of Trust, or claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or after any such sale or sales claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof, and Trustor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Trustee or Beneficiary, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

ARTICLE IV

CONCERNING TRUSTEE

Section 4.01. Trustee Liability. Trustee, by its acceptance hereof, covenants safely to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct, and agrees to accept reasonable compensation for the services rendered by it in accordance with the terms hereof..

Section 4.02. Trustee Resignation. Trustee may resign at any time upon giving 30 days' notice, in writing, to Trustor and Beneficiary.

Section 4.03. Successor Trustee. Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust 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 applicable law.

Section 4.04. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all documents evidencing the debt secured by this Deed of Trust 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. The grantee, in such reconveyance, may be described as "the person or persons legally entitled hereto."

ARTICLE V

MISCELLANEOUS

Section 5.01. Construction. In the event any one or more of the provisions contained in this Deed of Trust or the Master Loan Agreement shall for any reason be held to be invalid,

illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust, but this Deed of Trust shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

Section 5.02. Usury. All agreements between Trustor and Beneficiary are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of any sums pursuant to the Master Loan Agreement, acceleration of maturity of the unpaid principal balance thereof, or of the 2010 Note, or otherwise, or advancement of any sums under the provisions of this Deed of Trust, shall the amount paid or agreed to be paid to Beneficiary for the use, forbearance or detention of the money to be advanced thereunder or hereunder exceed the highest lawful rate permissible. If, from any circumstances whatsoever, fulfillment of any provision of this Deed of Trust or the Master Loan Agreement or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable thereto or hereto, then, ipso facto, the obligations to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance any Beneficiary shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest or, if such excessive interest exceeds the unpaid principal balance due hereunder, the excess shall be refunded to Trustor or its successors or assigns.

Section 5.03. Notices. All written notices expressly provided hereunder and all notices and demands of any kind or nature whatsoever shall be in writing and shall be served by registered or certified mail, return receipt requested. Any such notice or demand so served by registered or certified mail shall be deposited in the United States mail, with postage prepaid thereon, fully prepaid and addressed to the parties as follows:

Trustor:	Grace University 1311 South 9 th Street Omaha, NE 68108-3629 Attention: President, with a copy to the Executive Vice President
Trustee:	American National Bank Post Office Box 2139 Omaha, NE 68103-2139 Attention: Mark D. Ostronic, Vice President

or at such other address of which it shall have notified, in writing, to the person charged with giving such notice. Service or delivery of any such notice or demand so made shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or upon the expiration of the third day after the date of mailing, whichever is earlier. Any party may, at any time, change its address for such notice by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

Section 5.04. Successor and Assigns. This Deed of Trust and all terms, conditions and obligations herein shall apply to and inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, personal representatives, successors and assigns.

Section 5.05. Number and Gender. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Section 5.06. Acceptance by Trustee. Trustee accepts this Deed of Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

Section 5.07. Notice of Default and Notice of Sale. Trustor hereby requests that a copy of any Notice of Default and Notice of Sale as may be required by law be mailed to it and each party hereto in the manner provided in Section 5.03 hereof.

Section 5.08. Granting Consent. The granting of consent or approval by Beneficiary to any transaction, as required by the terms hereunder, shall not be deemed a waiver of the right to require consent to future or successive transactions.

Section 5.09. Jurisdiction. This Deed of Trust is to be construed and enforced according to the laws of the Governing Jurisdiction, except that with respect to any portion of the Property located outside of the Governing Jurisdiction, the laws of the state in which such portion of the Property is located shall be applicable thereto, but only to the extent required for Beneficiary to exercise its rights and remedies in order to realize upon its interests in the Property.

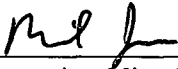
Section 5.10. Relationship of Deed of Trust to Master Loan Agreement. If any provision of this Deed of Trust conflicts in any case or circumstance with any provision of the Master Loan Agreement, the relevant provision of the Master Loan Agreement shall prevail unless the result would be to limit, restrict, impair or eliminate the enforceability of any provision or provisions of this Deed of Trust.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Deed of Trust was executed at the time, day and year set out below.

TRUSTOR:

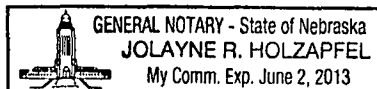
GRACE UNIVERSITY

By 
Executive Vice President

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On this 23rd day of December, 2010, before me, the undersigned, a Notary Public duly qualified for said county and state, came MICHAEL JAMES, Executive Vice President of Grace University, who is personally known to me to be such officer and the same person who executed the foregoing Deed of Trust on behalf of said corporation, and he acknowledged the execution of said Deed of Trust to be the voluntary act and deed of said corporation and his voluntary act and deed as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

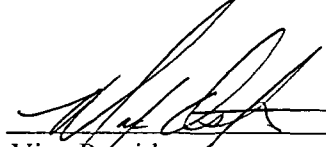



Notary Public

TRUSTEE:

AMERICAN NATIONAL BANK

By


Vice President

STATE OF NEBRASKA

)

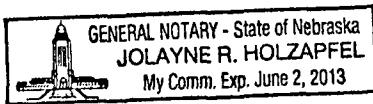
) ss.

COUNTY OF DOUGLAS

)

On this 23rd day of December, 2010, before me, the undersigned, a Notary Public duly qualified for said county and state, came MARK D. OSTRONIC, Vice President of American National Bank, who is personally known to me to be such officer and the same person who executed the foregoing Deed of Trust on behalf of said bank, and he acknowledged the execution of said Deed of Trust to be the voluntary act and deed of said bank and his voluntary act and deed as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.





Notary Public

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

Lots Twenty-three (23) to Forty (40), both inclusive, Forest Hill Park, an Addition to the City of Omaha, Douglas County, Nebraska, as surveyed, platted and recorded.

EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

All personal property and fixtures located or installed at, or used in connection with the buildings, facilities and other improvements located on, the Premises, whether or not paid for in whole or in part from the proceeds of any bonds or notes issued pursuant to the Master Loan Agreement, including, without limitation, all of the machinery, equipment, furnishings, furniture, fixtures, chattels, articles of personal property, furnaces, boilers, oil burners, refrigeration, scanners, air conditioning and sprinkler systems, awnings, screens, window shades, motors, dynamos, incinerators, plants and shrubbery, and all other equipment, machinery, appliances, fittings and fixtures, whether personal property or fixtures, whether now owned or hereafter from time to time acquired by Trustor, located on the Premises, together with all substitutions and replacements for any of the foregoing property and proceeds of any and all of the foregoing property and together with (i) all accessories, attachments, parts, equipment, accessions and repairs now or hereafter attached or affixed to or used in connection with any such property and (ii) all documents of title now or hereafter covering such property.

EXHIBIT C

DEFINITION OF TRUSTOR'S GROSS REVENUES

All receipts, revenues, income and other moneys received by or on behalf of Trustor from the operation, ownership or leasing of all "University Facilities" (as defined below), all gifts, grants, bequests, donations and contributions received by Trustor and all rights to receive the same whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by Trustor in connection with the University Facilities; provided, however, that there shall be excluded from Gross Revenues (a) gifts, grants, bequests, donations and contributions heretofore or hereafter made, the application of proceeds of which is designated or restricted at the time of making thereof by the donor, payor or maker as being for certain specified purposes inconsistent with the application thereof to the payments under the Master Loan Agreement or not subject to pledge, or subsequent to the receipt thereof, so designated or restricted by Trustor in order to meet the requirements of any challenge grant received by Trustor, and the income derived therefrom to the extent set forth in or by such designation, restriction or by law and (b) revenues from specific facilities comprising a portion of University Facilities pledged to others prior to or after the date of the Master Loan Agreement, but in the case of pledges occurring after the date of the Master Loan Agreement only to secure obligations which bear a rate of interest at lower than prevailing rates by reason of governmental subsidies and grants and without such specific pledges, such rates, subsidies or grants would not be available.

For the purposes of this Exhibit C, the term "University Facilities" means the buildings, structures, real estate and any appurtenant facilities, equipment and fixtures acquired or to be acquired by Trustor used or useful by Trustor in connection with or incidental to its functioning as an institution of higher education.