

11536708  
12/14/2012 4:17:00 PM \$29.00  
Book - 10088 Pg - 1781-1790  
Gary W. Ott  
Recorder, Salt Lake County, UT  
FOUNDERS TITLE LAYTON  
BY: eCASH, DEPUTY - EF 10 P.

Prepared by and  
Mail after recording to:  
Nexsen Pruet, PLLC (PFB)  
227 West Trade Street, Suite 1550  
Charlotte, NC 28202

**PARITY DEED OF TRUST AND SECURITY INTEREST AGREEMENT**

*D-48450A*

THIS PARITY DEED OF TRUST AND SECURITY INTEREST AGREEMENT (the "**Agreement**") is made and entered into effective on this 14<sup>th</sup> day of December, 2012, by, between and among Florida Federal Land Bank Association, FLCA successor by merger with Farm Credit of Southwest Florida, ACA for itself and as agent/nominee for Farm Credit of Southwest Florida, FLCA ("**FFLB**"), U.S. Bank National Association, as Trustee ("**U.S. Bank**"), the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (the "**USDA**") and AgCredit, ACA for itself and as agent/nominee for AgCredit, FLCA ("**AgCredit**").

**RECITALS:**

I. Financing for Providence Hall Elementary School:

A. In April of 2009, Providence Hall, a Utah non-profit corporation ("**Providence Hall**") financing the construction and acquisition of its elementary school located in Salt Lake County, Utah (the "**Elementary School**") through the issuance and sale of \$7,560,000 of Senior Secured Taxable Private Placement Bonds, Series A Bonds (USDA Guaranteed) and Series B Bonds (Non-Guaranteed) (together the "**Series 2009 Bonds**"). In connection with the issuance of the 2009 Bonds, the United States Department of Agriculture ("**USDA**") issued a loan note guaranty (the "**2009 USDA Guaranty**"), which was designated for the Series 2009 Bonds. In connection with the issuance of the 2009 USDA Guaranty, FFLB was appointed the "lender of record" under the USDA's regulations. To secure its obligations under the Series 2009 Bonds, Providence Hall granted to FFLB and to U.S. Bank, as bond trustee, a deed of trust lien on the Elementary School (the "**Elementary School Bond Deed of Trust**"), a security interest in all personal property of Providence Hall and a pledge of all revenues associated with the Elementary School, including, without limitation, a pledge of all payments made by the State of Utah for the Elementary School. The Elementary School Bond Deed of Trust was recorded in Book 9705, page 6816 – 6836 of the real estate records for Salt Lake County, Utah.

B. In addition to issuing its guaranty in connection with the Series 2009 Bonds, the USDA made a direct loan to Providence Hall in the original amount of \$3,240,000 (the "**USDA 2009 Direct Loan**") to provide additional financing for the

construction and acquisition of the Elementary School. To secure the USDA 2009 Direct Loan, Providence Hall granted to the USDA a deed of trust lien on the Elementary School (the “**USDA 2009 Direct Loan Deed of Trust**”) together with a security interest in all its personal property. The USDA 2009 Direct Loan Deed of Trust was recorded in Book 9705, pages 6837 of the real estate records for Salt Lake County, Utah.

C. In order to designate each party’s relative rights and remedies relative to the financing for the Elementary School, FFLB, U.S. Bank and USDA executed that certain Parity Deed of Trust and Security Agreement, effective April 2, 2009 (the “**2009 Parity Agreement**”), which was recorded at Book 9705, pages 6842-6851 in the real estate records for Salt Lake County, Utah.

II. Financing for Providence Hall Junior High School:

A. Providence Hall executed a lease agreement with TCFS- Providence Hall, LLC, (the “**Lease Agreement**”) dated February 5, 2011 pursuant to which Providence Hall leased a Junior High School facility, on real property near to the Elementary School, for the education of students in the sixth through ninth grades (the “**Junior High School**”).

B. Under the terms of the Lease Agreement, Providence Hall has the option to purchase the Junior High School, and Providence Hall has elected to purchase the Junior High School pursuant thereto.

C. In order to finance its acquisition of the Junior High School, Providence Hall will issue its Senior Secured Taxable Private Placement Bonds, Series 2012A and Series 2012B, in the aggregate principal amount of \$2,800,000 (the “**Series 2012 Bonds**”). The USDA has issued its loan note guaranty for the Series 2012 Bonds (the “**2012 USDA Guaranty**”) and, in connection therewith, AgCredit will be the lender of record and Servicer for the Series 2012 Bonds. In addition, USDA has made a direct loan to Providence Hall in the principal amount of \$6,835,000 (the “**USDA Junior High School Loan**”).

D. The Series 2012 Bonds will be secured by a co-first lien deed of trust on the Junior High School (the “**AgCredit JHS Deed of Trust**”) for the benefit of AgCredit, together with a security interest on all personal property associated with the Junior High School, a pledge of all revenues associated with the Junior High School, including, without limitation, a pledge of all payments made by the State of Utah for the Junior High School, and a mortgage lien on the Elementary School which is junior in priority to the liens of the Elementary School Bond Deed of Trust and the USDA 2009 Direct Loan Deed of Trust. The AgCredit JHS Deed of Trust is for the benefit of AgCredit and is recorded at Book ~~10088~~, page 001 in the real estate records for Salt Lake County, Utah. In addition, the USDA Junior High School Loan is secured by a co-first lien deed of trust on the Junior High School (the “**USDA JHS Deed of Trust**”) and a security interest in all personal property of Providence Hall and pledge of revenue associated with the Junior High School. In addition, the USDA JHS Deed of Trust also grants to the USDA a

second lien position on the Elementary School. The USDA JHS Deed of Trust is recorded at Book ~~10088~~ page ~~023~~ in the real estate records for Salt Lake County, Utah.

E. In addition to the foregoing, Providence Hall will grant to FFLB a co-second lien position on the Junior High School pursuant to a First Amendment to the Elementary School Bond Deed of Trust, recorded at Book 10088, page 254 in the real estate records for Salt Lake County, Utah (the “**First Amendment to Deed of Trust**”).

**NOW THEREFORE**, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Parity of Security Interest as to the Junior High School.** The parties hereto hereby agree that, notwithstanding the order in which the AgCredit JHS Deed of Trust and the USDA JHS Deed of Trust are recorded in the official records of the Salt Lake County Recorder, the liens of and security interest created by the AgCredit JHS Deed of Trust and the USDA JHS Deed of Trust, and related security and financing documents, shall, as between AgCredit and the USDA, be deemed to be on parity, co-first lien position with each other to secure the Series 2012 Bonds and the USDA Junior High School Loan. As used herein, parity shall mean equal rights with reference to the joint security, so that in the event of a default, AgCredit and the USDA will be affected on a proportionate basis. In the event adequate funds are not available from the revenues of the Junior High School to meet regular installments on the Series 2012 Bonds and the USDA Junior High School Loan, the funds available will be apportioned to AgCredit and the USDA based upon the principal of and interest due on the Series 2012 Bonds and the USDA Junior High School Loan respectively.

2. **Cross-Defaults.** The parties hereto hereby agree that, upon the occurrence of an event of default under the AgCredit JHS Deed of Trust or under the USDA JHS Deed of Trust, respectively, such default shall be deemed to constitute an event of default under the other party’s deed of trust and, in addition such default shall also constitute an event of default under the Elementary School Bond Deed of Trust and the USDA 2009 Direct Loan Deed of Trust, whether or not an actual event of default has occurred under the terms of the other deeds of trust. As a corollary, events of default under the Elementary School Bond Deed of Trust or the USDA 2009 Direct Loan Deed of Trust shall also constitute an event of default under the AgCredit JHS Deed of Trust and the USDA JHS Deed of Trust. If a beneficiary under any of the deeds of trust referenced in this Agreement declares that an event of default has occurred, said party shall give written notice to the other parties hereto, and all parties shall have the right to pursue its rights under the deeds of trust to which it is beneficiary and including exercising the power of sale and all rights relative to the collateral.

3. **Rights of Beneficiaries.** The relative rights of the parties hereto under their respective deeds of trust and security agreements shall be apportioned as follows:

A. Rights of AgCredit and USDA Regarding the Junior High School Collateral. AgCredit and USDA shall have a co-first priority lien on all real estate and personal property assets comprising the Junior High School and all revenue (of every kind and nature, including fees, tuition, federal, state and local governmental payments) derived from or associated with the Junior High School and at least 675 students attending the Junior High School (collectively, the "Junior High School Collateral"). The rights of AgCredit and USDA to the Junior High School Collateral shall be apportioned as follows: In the event of foreclosure, sale or liquidation of any of the Junior High School Collateral pursuant to the AgCredit JHS Deed of Trust and related bond documents or pursuant to the loan documents for the USDA Junior High School Loan, AgCredit (and/or other beneficiary under the AgCredit JHS Deed of Trust) and the USDA shall share their interest in the proceeds received from the foreclosure, sale or liquidation of the Junior High School Collateral, or revenues obtained which are associated with the Junior High School, on a pro rata basis based upon (1) the unpaid principal and interest due and owing on the Junior High School Bonds and other obligations under the related bond documents, and (2) the total of the unpaid principal and interest due and owing on the USDA Junior High School Loan; provided, however, that the maximum amount payable to either of said parties shall not exceed the amount payable to each party pursuant to the terms of that party's deed of trust and related loan or bond documents. However, if any protective advance(s) are made by AgCredit and/or the USDA for the mutual protection of AgCredit or the USDA, said protective advances shall receive first priority in the apportionment of funds as herein described. For purposes of this agreement, AgCredit and the USDA agree that protective advances are payments made by one or both of the parties hereto, for items such as insurance premiums, facility maintenance, security and protective (guard) services and taxes, for the purpose of protecting the financial interest of the parties to the Junior High School Collateral. If either AgCredit or the USDA elects to make a protective advance, said party shall make an effort (but shall not be obligated) to obtain the concurrence of the other party prior to making the protective advance.

B. Rights of AgCredit and USDA Regarding the Elementary School Collateral. AgCredit and USDA acknowledge that their rights and interests in and to all real estate and personal property assets comprising the Elementary School and all revenue (of every kind and nature, including fees, tuition, federal, state and local governmental payments) derived from or associated with the Elementary School and at least 700 students attending the Elementary School (collectively, the "Elementary School Collateral") are and shall be junior to the liens and security interests of FFLB and the USDA to the Elementary School Collateral securing their financing for the Elementary School, including, but not limited to, the revenues associated with at least 700 students at the Elementary School. In the event that the Elementary School Collateral is liquidated, and after the satisfaction of all obligations to FFLB and USDA relating to the Elementary School financing are satisfied, there remains additional proceeds available for AgCredit and USDA as second lien holders, AgCredit and USDA agree to share

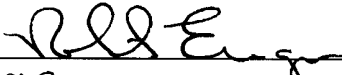
in such proceeds in the same manner as provided in paragraph 3A above. FFLB and USDA hereby consent to the placement of a junior lien on the Elementary School Collateral for the benefit of AgCredit and USDA to provide additional security for the Junior High School Financing.

C. Rights of FFLB and USDA Regarding the Junior High School Collateral. FFLB and USDA acknowledge that their rights and interests in and to the Junior High School Collateral are and shall remain junior to the liens and security interests of AgCredit and the USDA thereto securing their financing of the Junior High School, including, but not limited to, the revenues associated with at least 675 students at the Junior High School. In the event that the Junior High School Collateral is liquidated, and after the satisfaction of all obligations to AgCredit and USDA relating to the Junior High School financing are satisfied, there remains additional proceeds available for FFLB and USDA as second lien holders, FFLB and USDA agree to share in such proceeds in the same manner as provided in the 2009 Parity Agreement. AgCredit and USDA hereby consent to the placement of a junior lien on the Junior High School Collateral for the benefit of AgCredit and USDA to provide additional security for their financing for the Elementary School.

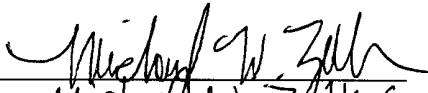
[Signature Pages Follow]

The undersigned hereby execute and deliver this Parity Deed of Trust and Security Interest Agreement, effective as of the date first written above.


**PROVIDENCE HALL, a Utah non-profit corporation**

By:   
Name: ROBERT ENGLER  
Title: BOARD PRESIDENT

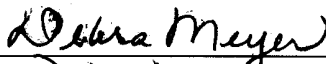
**FLORIDA FEDERAL LAND BANK ASSOCIATION,  
FLCA successor by merger with FARM CREDIT OF  
SOUTHWEST FLORIDA, ACA for itself and as  
agent/nominee for Farm Credit of Southwest Florida,  
FLCA**

By:   
Name: Michael W. Zilkos  
Title: Cap. MKT's. Officer

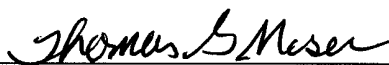
**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

By:   
Name: Kim R. Galbraith  
Title: Vice President

**UNITED STATES OF AMERICA, ACTING  
THROUGH THE RURAL HOUSING SERVICE,  
UNITED STATES DEPARTMENT OF  
AGRICULTURE**

By:   
Name: Debra Meyer  
Title: CP Director

**AGCREDIT, ACA, for itself and as agent/nominee of  
AgCredit, FLCA**

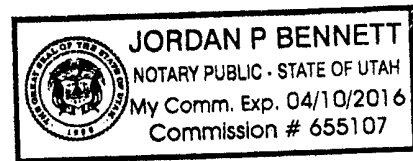
By:   
Name: Thomas G Mose  
Title: TUP- operations

STATE OF Utah  
COUNTY OF Salt Lake

I, Jordan P. Bennett, a Notary Public of the County and State aforesaid, certify that Robert E. Enger personally came before me this day and acknowledged that (s)he is Board President of PROVIDENCE HALL, a Utah non-profit corporation, and that (s)he, as Board President being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 13<sup>th</sup> day of December, 2012.  
[SEAL]

Jordan P. Bennett  
Notary Public  
My Commission expires: 4/10/2016

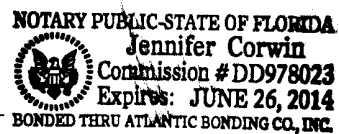


STATE OF Florida  
COUNTY OF DeSoto

I, Jennifer Corwin, a Notary Public of the County and State aforesaid, certify that Michael W. Zolkos personally came before me this day and acknowledged that (s)he is Capital Mktg Office of Florida Federal Land Bank Association, FLCA, and that (s)he, as an Officer being authorized to do so, executed the foregoing on behalf of the association.

WITNESS my hand and official stamp or seal, this the 12<sup>th</sup> day of December, 2012.  
[SEAL]

Jennifer Corwin  
Notary Public  
My Commission expires: June 26, 2014

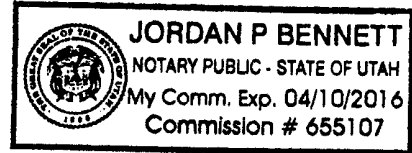


STATE OF Utah  
COUNTY OF Salt Lake

I, Jordan P. Bennett, a Notary Public of the County and State aforesaid, certify that Debra N. Meyer personally came before me this day and acknowledged that (s)he is Program Director of UNITED STATES OF AMERICA, ACTING THROUGH THE RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, and that (s)he, as Program Director being authorized to do so, executed the foregoing on behalf of the agency.

WITNESS my hand and official stamp or seal, this the 13<sup>th</sup> day of December 2012.  
[SEAL]

Jordan P. Bennett  
Notary Public  
My Commission expires: 4/10/2016

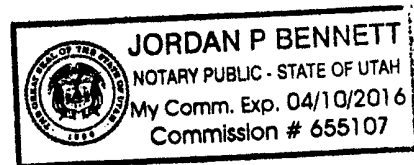


STATE OF Utah  
COUNTY OF Salt Lake

I, Jordan P. Bennett, a Notary Public of the County and State aforesaid, certify that Kim R. Galbraith personally came before me this day and acknowledged that (s)he is Vice President of U.S. BANK NATIONAL ASSOCIATION, and that (s)he, as Vice President being authorized to do so, executed the foregoing on behalf of the agency.

WITNESS my hand and official stamp or seal, this the 13<sup>th</sup> day of December, 2012.  
[SEAL]

Jordan P. Bennett  
Notary Public  
My Commission expires: 4/10/2016



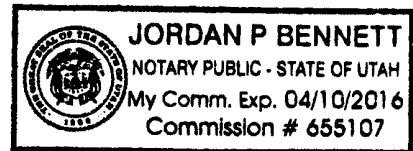


STATE OF Utah  
COUNTY OF Salt Lake

I, Jordan P. Bennett, a Notary Public of the County and State aforesaid, certify that Thomas G. Moser personally came before me this day and acknowledged that (s)he is AVP of Operations of AGCREDIT, ACA, and that (s)he, as AVP of Operations being authorized to do so, executed the foregoing on behalf of the agency.

WITNESS my hand and official stamp or seal, this the 13<sup>th</sup> day of December 2012.  
[SEAL]

Joh P. Bennett  
Notary Public  
My Commission expires: 4/10/2016



**EXHIBIT A**

**Parcel 1:**

Lot 1, Rosecrest Providence Hall Subdivision, according to the official plat thereof, recorded January 29, 2008, as Entry 10334598, in Book 2008P, at Page 25 of the official records recorded in the office of the County Recorder of Salt Lake County, Utah.

*The following is shown for informational purposes only: 33-07-301-001*

**Parcel 1A:**

TOGETHER WITH those certain Easements as created in the Covenants, Conditions and Restrictions recorded July 5, 2000, as Entry No. 7673671, in Book 8373 at Page 1559 and Covenants, Conditions and Restrictions recorded July 5, 2000, as Entry No. 7673672, in Book 8373, at Page 1601.

**Parcel 1B:**

Non-exclusive perpetual right-of-way and easement to lay, maintain, operate, repair, inspect, protect, install, remove and replace sewer laterals, and other sewer collection and transmission structures and facilities as detailed in that Easement, dated January 22, 2008, recorded January 22, 2008, as Entry No. 10327185, in Book 9560, at Page 6788 of the official records.

**Parcel 2:**

All of Lot 1, Rosecrest Providence Hall Subdivision 2, according to the official plat thereof recorded May 11, 2011, in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 11180756 in Book 2011 at Page 58.

TOGETHER WITH those certain Easements as created in the Covenants, Conditions and Restrictions recorded July 5, 2000, as Entry No. 7673671, in Book 8373 at Page 1559 and Covenants, Conditions and Restrictions recorded July 5, 2000, as Entry No. 7673672, in Book 8373, at Page 1601.