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Gary W. Ott  
Recorder, Salt Lake County, UT  
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RECORDING REQUESTED BY AND )  
WHEN RECORDED MAIL TO: )  
 )  
Fredrick H. Olsen, Esq. )  
Ballard Spahr LLP )  
201 S. Main St., Suite 800 )  
Salt Lake City, UT 84111-2221 )

11-49647

**INTERCREDITOR AND SUBORDINATION AGREEMENT**

THIS INTERCREDITOR AND SUBORDINATION AGREEMENT (the “**Agreement**”) is made and entered into effective on this 6th day of November, 2013, by, between and among U.S. Bank National Association, in its capacity as trustee for the Series 2013 Bonds (the “**Series 2013 Trustee**”), U.S. Bank National Association, in its capacity as trustee for the Series 2012 Bonds (the “**Series 2012 Trustee**”), 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 and Providence Hall High School:

A. In April of 2009, Providence Hall, a Utah non-profit corporation (“**Providence Hall**”), financed 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 addition to 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.

B. Pursuant to a Trust Indenture dated as of November 1, 2013 (the “**Series 2013 Indenture**”) between the Utah Charter School Finance Authority (the “**Series 2013 Issuer**”) and U.S. Bank National Association, in its capacity as trustee under the Series 2013 Indenture (“**Series 2013 Trustee**”), the Series 2013 Issuer has issued its Utah Charter School Finance Authority Charter School Revenue Bonds (Providence Hall Elementary School and High School Projects) Series 2013 A and its Utah Charter School Finance Authority Charter School Revenue Bonds (Providence Hall Elementary School and High School Projects) Series 2013 B (Federally Taxable) in the aggregate principal amount of \$25,185,000 (the “**Series 2013 Bonds**”). The Proceeds of the Series 2013 Bonds have been loaned (the “**Series 2013 Loan**”) to Providence Hall pursuant to a Loan Agreement dated as of November 1, 2013 (the “**Series 2013 Loan Agreement**”) among Providence Hall, the Series 2013 Issuer and the Series 2013 Trustee in order to finance the (i) prepayment in whole of the Series 2009 Bonds, (ii) prepayment in whole of the USDA 2009 Direct Loan and (iii) construction and acquisition of a high school located in Salt Lake County, Utah (the “**High School**”).

C. To secure its obligations with respect to the loan of the proceeds of the Series 2013 Bonds, Providence Hall granted to the Series 2013 Issuer a deed of trust lien on the Elementary School and on the High School (the "**Elementary School/High School Bond Deed of Trust**"), a security interest in all personal property associated with the Elementary School and the High School and a pledge of all revenues associated with the Elementary School and the High School and students attending the Elementary School and the High School (the "**Elementary School/High School Revenues**"), including, without limitation, a pledge of all payments made by the State of Utah for the Elementary School and the High School. The Elementary School/High School Bond Deed of Trust was recorded on November 6, 2013 as Entry No. 11755412 in the real estate records for Salt Lake County, Utah. The Elementary School/High School Bond Deed of Trust has been subsequently assigned by the Series 2013 Issuer to the Series 2013 Trustee as security for the Series 2013 Bonds.

D. As additional security for the loan of the proceeds of the Series 2013 Bonds, Providence Hall granted to the Series 2013 Issuer a junior deed of trust lien on the Junior High School (the "**Subordinate JHS Deed of Trust**") recorded on November 6, 2013 as Entry No. 11755511 in the real estate records for Salt Lake County, Utah. The Subordinate JHS Deed of Trust has been subsequently assigned by the Series 2013 Issuer to the Series 2013 Trustee as security for the Series 2013 Bonds.

## II. Financing for Providence Hall Junior High School:

A. In order to finance the acquisition and construction of its junior high school located in Salt Lake County (the "**Junior High School**"), Providence Hall issued its Senior Secured Taxable Private Placement Bonds, Series 2012A and Series 2012B, in the initial aggregate principal amount of \$2,800,000 (the "**Series 2012 Bonds**"). The USDA issued its loan note guaranty for the Series 2012 Bonds (the "**2012 USDA Guaranty**") and, in connection therewith, AgCredit is the lender of record and Servicer for the Series 2012 Bonds. In addition, USDA made a direct loan to Providence Hall in the initial principal amount of \$6,835,000 (the "**USDA Junior High School Loan**").

B. The Series 2012 Bonds are 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 and students attending the Junior High School consisting of at least 675 Junior High students (the "**Junior High School Revenues**"), including, without limitation, a pledge of all payments made by the State of Utah for the Junior High School. The AgCredit JHS Deed of Trust is for the benefit of AgCredit and was recorded on December 14, 2012 as Entry No. 11536394 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. The USDA JHS Deed of Trust was recorded on December 14, 2012 as Entry No. 11536395 in the real estate records for Salt Lake County, Utah.

C. Each of the AgCredit JHS Deed of Trust and the USDA JHS Deed of Trust also grants the beneficiaries thereof a junior lien position on the Elementary School.

D. As additional security for the Series 2012 Bonds, Providence Hall granted a junior deed of trust lien on the High School for the benefit of AgCredit (the "**Subordinate AgCredit High School Deed of Trust**") recorded on November \_\_, 2013 as Entry No. \_\_\_\_\_ in the real estate records for Salt Lake County, Utah. As additional security for the USDA Junior High School Loan, Providence Hall granted to the USDA a junior deed of trust lien on the High School (the "**Subordinate USDA High School Deed of Trust**") recorded on November \_\_, 2013 as Entry No. \_\_\_\_\_ in the real estate records for Salt Lake County, Utah.

**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. **Revenues.** The parties hereby agree that, it is the intent of the parties hereto that AgCredit, the Series 2012 Trustee and the USDA shall have at all times a co-first priority lien on all Junior High School Revenues, and that the Series 2013 Trustee shall have at all times a first priority lien on all Elementary School/High School Revenues.

The parties hereto consent to the terms of the Custodial Agreement dated as of November 1, 2013 between U.S. Bank National Association, as custodian, and Providence Hall.

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, (a "**Junior High School Default**") 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/High School Bond 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/High School Bond Deed of Trust (an "**Elementary School/High School Default**") 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. Nothing herein shall require any party to declare the occurrence of a default or an Event of Default under their deed of trust, loan agreement, bond agreements or security documents, such right being in the sole discretion of the party which has the right to make such declaration.

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, USDA and the Series 2012 Trustee Regarding the Elementary School Collateral. AgCredit, USDA and the Series 2012 Trustee acknowledge that their rights and interests in and to all real estate and personal property assets comprising the Elementary School and all Elementary School/High School Revenues (collectively, the "**Elementary School Collateral**") are and shall be junior and subordinate to the liens and security interests of the Series 2013 Trustee for the benefit of the holders of the Series 2013 Bonds to the Elementary School Collateral securing their

financing for the Elementary School. In the event that the Elementary School Collateral is liquidated, and after the satisfaction of all obligations to the holders of the Series 2013 Bonds and other obligations under the related bond documents relating to the Elementary School financing are satisfied, including, but not limited to, the payment of all principal of and interest on (and premium or penalty, if any) the Series 2013 Bonds, together with all fees and costs associated with them, there remains additional proceeds available for AgCredit and USDA as second lien holders, AgCredit and USDA agree to share in such proceeds as agreed between such parties. The Series 2013 Trustee hereby consents to the junior lien on the Elementary School Collateral for the benefit of AgCredit and USDA to provide additional security for the financing of the Junior High School. Nothing herein shall give AgCredit, USDA and the Series 2012 Trustee, as the case may be, the right to be notified of the commencement of and remedial or foreclosure actions against any of the Elementary School Collateral by the Series 2013 Trustee nor grant AgCredit, USDA and the Series 2012 Trustee, as the case may be, the right to participate in, to challenge or to audit the results of, any remedial or foreclosure action or proceeding commenced by the Series 2013 Trustee against any of the Elementary School Collateral.

Neither AgCredit, the USDA, nor the Series 2012 Trustee may commence any Enforcement Action (as defined herein) with respect to the Elementary School Collateral until after (i) AgCredit or the USDA has given the Series 2013 Trustee and the Series 2013 Issuer written notice with respect to such Enforcement Action, and (ii) the Series 2013 Trustee and the Series 2013 Issuer have delivered to AgCredit and the USDA their written consent to such Enforcement Action by AgCredit or the USDA. AgCredit, the USDA and the Series 2012 Trustee acknowledge that the Series 2013 Trustee and/or the Series 2013 Issuer may grant or refuse consent to any Enforcement Action with respect to the Elementary School Collateral in their sole and absolute discretion. Any Enforcement Action on the part of AgCredit, the USDA, the Series 2012 Trustee or their respective successors and assigns with respect to the Elementary School Collateral shall be subject to the provisions of this Agreement.

“Enforcement Action” means any of the following actions taken by or at the direction of a party: the acceleration of all or any part of the related indebtedness, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the related mortgage, note or any other of the related loan documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action, including, without limitation, the commencement of any foreclosure, sale or similar action.

B. Rights of AgCredit, USDA and the Series 2012 Trustee Regarding the High School Collateral. AgCredit, USDA and the Series 2012 Trustee acknowledge that their rights and interests in and to all real estate and personal property assets comprising the High School and all Elementary School/High School Revenues (collectively, the “**High School Collateral**”) are and shall be junior and subordinate to the liens and security interests of the Series 2013 Trustee for the benefit of the holders of the Series 2013 Bonds to the High School Collateral securing their financing for the High School. In the event that the High School Collateral is liquidated, and after the satisfaction of all

obligations to the holders of the Series 2013 Bonds and other obligations under the related bond documents relating to the High School financing are satisfied, including, but not limited to, the payment of all principal of and interest on (and premium or penalty, if any) the Series 2013 Bonds, together with all fees and costs associated with them, there remains additional proceeds available for AgCredit and USDA as second lien holders, AgCredit and USDA agree to share in such proceeds as agreed between such parties. The Series 2013 Trustee hereby consents to the junior lien on the High School Collateral for the benefit of AgCredit and USDA to provide additional security for the financing of the Junior High School. Nothing herein shall give AgCredit, USDA and the Series 2012 Trustee, as the case may be, the right to be notified of the commencement of and remedial or foreclosure actions against any of the High School Collateral by the Series 2013 Trustee nor grant AgCredit, USDA and the Series 2012 Trustee, as the case may be, the right to participate in, to challenge or to audit the results of, any remedial or foreclosure action or proceeding commenced by the Series 2013 Trustee against any of the High School Collateral.

Neither AgCredit, the USDA, nor the Series 2012 Trustee may commence any Enforcement Action with respect to the High School Collateral until after (i) AgCredit or the USDA has given the Series 2013 Trustee and the Series 2013 Issuer written notice with respect to such Enforcement Action, and (ii) the Series 2013 Trustee and the Series 2013 Issuer have delivered to AgCredit and the USDA their written consent to such Enforcement Action by AgCredit or the USDA. AgCredit, the USDA and the Series 2012 Trustee acknowledge that the Series 2013 Trustee and/or the Series 2013 Issuer may grant or refuse consent to any Enforcement Action with respect to the High School Collateral in their sole and absolute discretion. Any Enforcement Action on the part of AgCredit, the USDA, the Series 2012 Trustee or their respective successors and assigns with respect to the High School Collateral shall be subject to the provisions of this Agreement.

C. Rights of Series 2013 Trustee Regarding the Junior High School Collateral. The Series 2013 Trustee acknowledges that its rights and interests for the benefit of the holders of the Series 2013 Bonds in and to all real estate and personal property assets comprising the Junior High School and all Junior High School Revenues (collectively, the “**Junior High School Collateral**”) are and shall be junior and subordinate to the liens and security interests of AgCredit, the Series 2012 Trustee and the USDA to the Junior High School Collateral securing their financing for the Junior High School. In the event that the Junior High School Collateral is liquidated, and after the satisfaction of all obligations to AgCredit, the Series 2012 Trustee and USDA relating to the Junior High School financing are satisfied, including, but not limited to, the payment of all principal of and interest on (and premium or penalty, if any) the Series 2012 Bonds and the USDA Junior High School Loan, together with all fees and costs associated with them, there remains additional proceeds available for the Series 2013 Trustee for the benefit of the holders of the Series 2013 Bonds as second lien holders, the Series 2013 Trustee shall apply such proceeds in accordance with the Series 2013 Indenture and related bond documents. AgCredit, USDA and the Series 2012 Trustee hereby consent to the junior lien on the Junior High School Collateral for the benefit of the Series 2013 Trustee for the benefit of the holders of the Series 2013 Bonds to provide

additional security for the financing of the Elementary School and the High School. Nothing herein shall give the Series 2013 Trustee or the holders of the Series 2013 Bonds, as the case may be, the right to be notified of the commencement of and remedial or foreclosure actions against any of the Junior High School Collateral by AgCredit, the Series 2012 Trustee or the USDA, as the case may be, nor grant the Series 2013 Trustee or the holders of the Series 2013 Bonds, as the case may be, the right to participate in, to challenge or to audit the results of, any remedial or foreclosure action or proceeding commenced by AgCredit, the Series 2012 Trustee or the USDA, as the case may be, against any of the Junior High School Collateral.

Neither the Series 2013 Trustee nor any holder of the Series 2013 Bonds may commence any Enforcement Action with respect to the Junior High School Collateral until after (i) the Series 2013 Trustee has given AgCredit and the USDA written notice with respect to such Enforcement Action, and (ii) AgCredit and the USDA have delivered to the Series 2013 Trustee their written consent to such Enforcement Action by the Series 2013 Trustee. The Series 2013 Trustee acknowledges that AgCredit and/or USDA may grant or refuse consent to any Enforcement Action with respect to the Junior High School Collateral in their sole and absolute discretion. Any Enforcement Action on the part of the Series 2013 Trustee, any holder of the Series 2013 Bonds or their respective successors and assigns with respect to the Junior High School Collateral shall be subject to the provisions of this Agreement.

D. Agreement Regarding Bankruptcy Proceedings. Without the prior written consent of all parties hereto, no party hereto shall commence, or join with any other creditor in commencing, any Bankruptcy Proceeding (as defined herein) with respect to Providence Hall.

“Bankruptcy Proceeding” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Providence Hall or any of its properties. The forgoing shall not prohibit or prevent the filing by a party hereto of any claim or petition in any Bankruptcy Proceeding commenced by Providence Hall or by any other party.

4. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the respective legal successors and permitted assigns of the parties hereto. The holders of the Series 2013 Bonds shall be entitled to enforce the provisions of this Agreement as third-party beneficiaries hereunder.

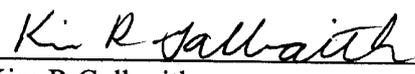
[Signature Pages Follow]

The undersigned hereby execute and deliver this Intercreditor Agreement, effective as of the date first written above.

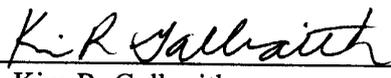
**PROVIDENCE HALL, a Utah nonprofit corporation, as Borrower**

By:   
Robert E. Enger, President, Board of Trustees

**U.S. BANK NATIONAL ASSOCIATION, as Trustee for the Series 2013 Bonds**

By:   
Name: Kim R Galbraith  
Title: Vice President

**U.S. BANK NATIONAL ASSOCIATION, as Trustee for the Series 2012 Bonds**

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

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

By: Debra Meyer  
Name: Debra Meyer  
Title: Community Programs Director

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

By: Thomas G Moser  
Name: Thomas G. Moser  
Title: Assistant Vice-President - Operations

STATE OF UTAH  
COUNTY OF Salt Lake

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

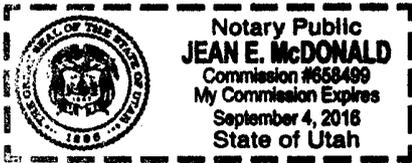
WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of November, 2013.

[SEAL]

Jean E McDonald

Notary Public

My Commission expires: 9-4-16



STATE OF UTAH  
COUNTY OF Salt Lake

I, Jean E McDonald, a Notary Public of the County and State aforesaid, certify that Kim R Galbraith personally came before me this day and acknowledged that he is Vice President of U.S. BANK NATIONAL ASSOCIATION, and that he, as Vice President being authorized to do so, executed the foregoing on behalf of the corporation.

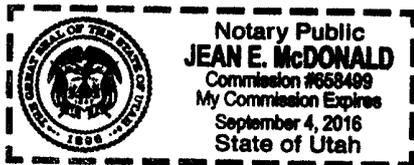
WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of November, 2013.

[SEAL]

Jean E McDonald

Notary Public

My Commission expires: 9-4-16



STATE OF UTAH  
COUNTY OF Salt Lake

I, Jean E McDonald, a Notary Public of the County and State aforesaid, certify that Kim R Galbraith personally came before me this day and acknowledged that he is Vice President of U.S. BANK NATIONAL ASSOCIATION, and that he, as Vice President being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of November, 2013.

[SEAL]

Jean E McDonald  
Notary Public  
My Commission expires: 9-4-16



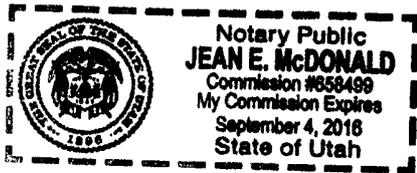
STATE OF Utah  
COUNTY OF Salt Lake

I, Jean E McDonald, a Notary Public of the County and State aforesaid, certify that Debra Meejer personally came before me this day and acknowledged that (s)he is Community Programs Director of UNITED STATES OF AMERICA, ACTING THROUGH THE RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, and that (s)he, as Community Programs Director being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of November, 2013.

[SEAL]

Jean E McDonald  
Notary Public  
My Commission expires: 9-4-16



STATE OF OHIO  
COUNTY OF WOOD

I, Shane Vetter, 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 Assistant Vice-President- Operations of AGCREDIT, ACA, and that (s)he, as Assistant Vice-President-Operations being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 6th day of November, 2013.

[SEAL]

  
\_\_\_\_\_  
Notary Public Shane Vetter  
My Commission expires: 10-8-17



SHANE VETTER  
Notary Public, State of Ohio  
My Commission Expires \_\_\_\_\_

**EXHIBIT "A"**  
**PROPERTY DESCRIPTION**

The following real property situated in Salt Lake County, Utah and more particularly described as follows:

**(Elementary)**

All of Lot 1, **ROSECREST PROVIDENCE HALL SUBDIVISION**, according to the official plat thereof, recorded January 29, 2008, as Entry No. 10334598, in Book 2008P, at Page 25 of the official records recorded in the office of the County Recorder of Salt Lake County, Utah.

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

*The following is shown for information purposes only: 33-07-301-001*  
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**(High School)**

All of Lot 1, **ROSECREST PROVIDENCE HALL SUBDIVISION 3**, according to the official plat thereof, recorded November 4, 2013, as Entry No. 11753703, in Book 2013P, at Page 226 of the official records recorded in the office of the County Recorder of Salt Lake County, Utah.

The following is shown for information purposes only: Part of 33-07-326-001

**(Jr High)**

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 on July 5, 2000, as Entry No. 7673671 in Book 8373, at Page 1559 and Covenants, Conditions and Restrictions recorded on July 5, 2000, as Entry No. 7673672 in Book 8373, at Page 1601.

*The following is shown for informational purposes only: Tax Parcel No. 33-07-176-001*