

PP 38-1

5-12138

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

THIS PARITY DEED OF TRUST AND SECURITY INTEREST AGREEMENT (the "Agreement") is made and entered into effective as of the 6<sup>th</sup> day of June 2012, by between and among AgCredit, ACA for itself and as agent/nominee for AgCredit, FLCA, U.S. BANK NATIONAL ASSOCIATION, as Trustee ("U.S. Bank" or "Trustee") and the UNITED STATES OF AMERICA, ACTING THROUGH THE RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE (the "USDA") and WEILENMANN SCHOOL OF DISCOVERY, a Utah non-profit corporation ("Issuer").

**RECITALS:**

A. AgCredit, as "Lender of Record", has entered into that certain Servicing Agreement with Weilenmann School of Discovery, a Utah non-profit corporation, as "Issuer", and U.S. Bank National Association, as Trustee, dated as of June 1, 2012, providing for the administration of those certain Senior Secured Taxable Private Placement Bonds Series 2012A (USDA Guaranteed) and Series 2012B (Non-Guaranteed) (together the "Bonds") issued by the Issuer in the aggregate principal amount of \$1,100,000, all as more particularly described in that certain Trust Indenture by and between Issuer and U.S. Bank, as Bond Trustee, dated as of June 1, 2012 ("Indenture"); and

B. In addition to the Indenture and as additional security for the Bonds, the Issuer executed that certain Deed of Trust and Security Agreement (the "Bond Deed of Trust") dated as of June 6, 2012, as Trustor, in favor of AgCredit (which, in such capacity is referred to as the "Bond Deed of Trust Beneficiary"), relating to the real property in Summit County, State of Utah more particularly described on Exhibit "A" attached hereto (the "Real Property"), and UCC Financing Statements were issued and filed relating thereto.

C. The USDA has made a loan (the "USDA Loan") to the Issuer, which such USDA Loan is evidenced by a \$8,220,000 promissory note (The "USDA Note") secured by that certain Real Estate Deed of Trust (the "USDA Deed of Trust") dated June 6, 2012, which was executed by the Issuer, as Trustor, in favor of the USDA as Beneficiary, also relating to the Real Property. To provide additional security for the USDA Loan, also executed a Security Agreement ("USDA Security Agreement"), issued related UCC Financing Statements and delivered an Assignment of Income in favor of USDA ("Assignment of Income").

D. The Bonds and the USDA Loan relate to the same Real Property being acquired by the Issuer, and it is the intention of AgCredit and the USDA that they shall

share a proportionate parity security interest in the Real Property known as Weilenmann School of Discovery, as set forth in this Agreement, notwithstanding the order in which the Bond Deed of Trust and the USDA Deed of Trust are recorded in the official records of the Summit County Recorder, as well as sharing in all other collateral for the Bonds and the USDA Loan.

**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.** The parties hereto hereby agree that, notwithstanding the order in which the Bond Deed of Trust and the USDA Deed of Trust are recorded in the official records of the Summit County Recorder, the liens of and security interest created by the Bond Deed of Trust and the USDA Deed of Trust, as between the Bond Deed of Trust Beneficiary and the USDA, be deemed to be on parity with each other, and that the liens, pledges and security interests created by and under the USDA Security Agreement and related Financing Statements and Assignment of Income, and the Indenture and related security documents, shall, as between Bond Deed of Trust Beneficiary on the one hand, and the USDA on the other, be deemed to be on parity with each other. As used herein, parity shall mean equal rights with reference to the joint security, so that in the event of a default, the Bond Deed of Trust Beneficiary and the USDA will be affected on a proportionate basis as to the Real Property. In the event adequate funds are not available to meet regular installments on the parity loans herein described, the funds available will be apportioned to the Bond Deed of Trust Beneficiary, and the USDA based upon the respective current installments of principal and interest due on all Bonds outstanding under the Indenture and the USDA Note.

2. **Cross-Default.** The parties hereto hereby agree that the occurrence of an event of default under the Bond Deed of Trust and the USDA Deed of Trust shall be deemed to constitute an event of default under each of the other deed of trust, whether or not an actual event of default has occurred under the terms of the other deed of trust. If either of the Bond Deed of Trust Beneficiary or the USDA declares that an event of default has occurred, said party shall give written notice to the other parties, and all parties shall have the right to pursue its rights under its own Deed(s) of Trust and Security Agreement(s), including exercising the power of sale of the Real Property and all rights relative to the personal property collateral.

3. **Rights to Proceeds.** In the event of foreclosure, sale or liquidation of any of the secured property, fixed assets, or other obligations due to the Bond Deed of Trust Beneficiary and the USDA pursuant to the respective Bonds (including the Indenture and other Bond Documents as defined therein) and in the loan documents for the USDA Loan, the Bond Deed of Trust Beneficiary and the USDA shall share their interest in the proceeds received from the foreclosure, sale or liquidation on a pro rata basis based upon (1) the unpaid principal and interest due and owing on all Bonds outstanding under the Indenture (i.e., not just those held by Servicer) and other obligations under the Bond

Documents, and (2) the total of the unpaid principal and interest due and owing on the USDA Loan; provided however, that the maximum amount payable to either of said parties shall not exceed the amount payable to the Bond Deed of Trust Beneficiary or the USDA pursuant to the terms of that party's Deed of Trust. However, if any protective advance(s) are made by the Bond Deed of Trust Beneficiary and/or the USDA for the mutual protection of the Bond Deed of Trust Beneficiary or the USDA, said protective advances shall receive first priority in the apportionment of funds as herein described. For purposes of this agreement the Bond Deed of Trust Beneficiary and the USDA agree that protective advances are payments made by on or both of the parties hereto for items such as insurance or taxes, for the purpose of protecting the financial interest of the parties. If either the Bond Deed of Trust Beneficiary or the USDA elects or wishes to make a protective advance, said party shall make an effort to obtain the concurrence of the other party prior to making the protective advance.

4. **No impact on Borrower's Obligations.** This Agreement is intended for the sole purpose of defining the respective security interests of the Bond Deed of Trust Beneficiary and the USDA with respect to the Real Property and the revenues and income from the operation of the Project and shall not modify, reduce or otherwise affect the duties and obligations of the Issuer under the Bonds, the Indenture, the Bond Documents, or the Bond Deed of Trust, the USDA Deed of Trust, Security Agreement(s) or any of the documents or instruments secured by those Deeds of Trust and lien documents.

5. **Recording of Agreement** .The parties hereto agree that this agreement shall be recorded in the official records of the Summit County Recorder.

[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.

**WEILENMANN SCHOOL OF DISCOVERY.**

By: DLS  
Name: Dallis Nordstrom  
Title: Board Chair

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

By: Thomas G Moser  
Name: Thomas G Moser  
Title: AVP-operations

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

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

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

By: Debra Meyer  
Name: Debra Meyer  
Title: CP Director

STATE OF Utah  
COUNTY OF Salt Lake

I, Barbara Barney, 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-Operations of AGCREDIT, ACA, for itself and as agent/nominee of AgCredit, FLCA and that (s)he, as AVP-Operations being authorized to do so, executed the foregoing on behalf of the association.

WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of June, 2012.

[SEAL]

Barbara Barney  
Notary Public  
My Commission expires: \_\_\_\_\_



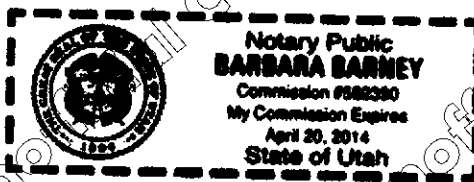
STATE OF Utah  
COUNTY OF Salt Lake

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

WITNESS my hand and official stamp or seal, this the 5<sup>th</sup> day of June, 2012.

[SEAL]

Barbara Barney  
Notary Public  
My Commission expires: \_\_\_\_\_



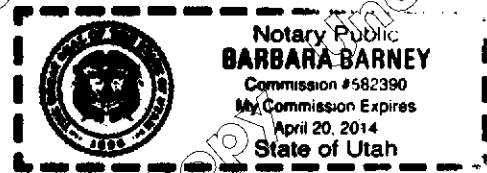
STATE OF Utah  
COUNTY OF Salt Lake

I, Barbara Barney, a Notary Public of the County and State aforesaid, certify that Kim R. Galbreith 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 5th day of June, 2012.

[SEAL]

Barbara Barney  
Notary Public  
My Commission expires: \_\_\_\_\_



STATE OF Utah  
COUNTY OF Salt Lake

I, Barbara Barney, a Notary Public of the County and State aforesaid, certify that Dallis Nordstrom personally came before me this day and acknowledged that (s)he is Board Chair of WEILENMANN SCHOOL OF DISCOVERY, a Utah non-profit corporation, and that (s)he, as Board Chair being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 5th day of June, 2012.

[SEAL]

Barbara Barney  
Notary Public  
My Commission expires: \_\_\_\_\_



**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

Beginning at the East quarter corner of Section 10, Township 1 South, Range 3 East, Salt Lake Base and Meridian; thence North 00°04'11" West along the East line of Lot 2 a distance of 1134.85 feet; thence South 61°16'46" West 625.69 feet; thence North 00°04'11" West 15.4 feet; thence South 46°43'36" West 181.53 feet; thence North 18°21'11" West 157.78 feet to the True Point of Beginning; thence South 56°37'40" West 386.86 feet; thence South 02°12'48" East 305.16 feet; thence South 42°54'58" West 248.60 feet; thence North 42°19'31" West 410.84 feet; thence North 10°00'00" East 142.17 feet; thence North 70°00'00" West 394.47 feet; thence North 48°26'49" East 79.94 feet to the intersection with the Southeasterly right of way line of the Interstate 80 Frontage Road, said right of way line also being the Southeasterly line of that tract of land as described in Warranty Deed to the State Road Commission of Utah, recorded July 25, 1972 as Entry No. 116412 in Book M39, Pages 586 and 587, in the office of the recorder of Summit County, Utah, the following five courses being along said right of way line: (1) thence North 61°36'00" East 96.33 feet to a point on a tangent 3779.72 foot radius curve concave Southeasterly (the radius point bears South 28°24'00" East 3779.72 feet of which the central angle is 05°00'00"); (2) thence Northeasterly along the arc of said curve a distance of 329.84 feet; (3) thence North 66°36'00" East 10.66 feet to a point on a tangent 3859.72 foot radius curve concave Northwesterly (the center bears North 23°24'00" West 3859.72 feet of which the central angle is 05°00'00"); (4) thence Northeasterly along the arc of said curve a distance of 336.82 feet; (5) thence North 61°36'00" East 231.76 feet to the intersection with the Westerly line of a tract of land as described in a Quit Claim Deed to Judith L. Maedel, recorded May 18, 1981 as Entry No. 179621 in Book M187, Page 501, in said Recorder's office, the following course being along the Westerly line of said tract; thence South 18°21'11" East 414.26 feet to the place of beginning.

The following is shown for informational purposes only: Tax Parcel No. PP-38-C-1.