

13-292-0001

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

17-48849

**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 September 12, 2013 by, between and among **AGCREDIT, ACA** for itself and as agent/nominee of AgCredit, FLCA ("AgCredit"), an agricultural credit association, **U.S. BANK NATIONAL ASSOCIATION**, as Trustee ("U.S. Bank" or "Trustee"), the **UNITED STATES of AMERICA, acting through the RURAL HOUSING SERVICE, DEPARTMENT OF AGRICULTURE** (the "USDA") and **HIGHMARK CHARTER SCHOOL**, a Utah non-profit corporation ("Issuer").

**RECITALS:**

A. AgCredit, as "Lender of Record", has entered into that certain Servicing Agreement with HighMark Charter School, a Utah non-profit corporation, as "Issuer", and U.S. Bank National Association, as Trustee, dated as of September 1, 2013, providing for the administration of those certain Senior Secured Taxable Private Placement Bonds Series 2013A (USDA Guaranteed) and Series 2013B (Non-Guaranteed) (together the "Bonds") issued by the Issuer in the aggregate principal amount of \$5,000,000, all as more particularly described in that certain Trust Indenture by and between Issuer and U.S. Bank, as Trustee, dated as of September 1, 2013 ("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 September 12, 2013, 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 Davis County, State of Utah more particularly described on Exhibit "A" attached hereto (the "Real Property") on which the HighMark Charter School (the "Project") was constructed, 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 \$6,539,000 promissory note (The "USDA Note") secured

by that certain Real Estate Deed of Trust (the "USDA Deed of Trust") dated September 12, 2013, 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, Issuer 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 HighMark Charter School 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 Davis 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 Davis 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 with respect to personal property collateral 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 Bond Deed of Trust shall, as between the Bond Deed of Trust Beneficiary 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 and as to the other personal property collateral. 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 the outstanding Bonds and due on 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) and any related security documents, 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, repossessions, sale or liquidation of any of the secured property, fixed assets, income or revenues 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, repossessions, sale or liquidation on a pro rata basis based upon (1) the unpaid principal and interest due and owing on the outstanding Bonds and other obligations under the Bond Documents, and (2) the total of the unpaid principal and interest due and owing on the USDA Note; 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 each 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, or of the Issuer under the USDA Note, the USDA Deed of Trust, the USDA Security Agreement(s) or any of the related 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 Davis County Recorder.

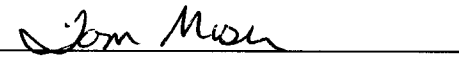
[Signature Pages Follow]

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


**HIGHMARK CHARTER SCHOOL**

By:   
Name: Bentley McEntire  
Title: Board Chair

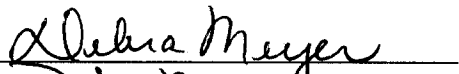
**AGCREDIT, ACA for itself and as agent/nominee for  
AGCREDIT, FLCA**

By:   
Name: Tom Moser  
Title: Assistant Vice President

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

By:   
Name: Kim Galbraith  
Title: Vice President

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

By:   
Name: Debra Meyer  
Title: C.P. Director

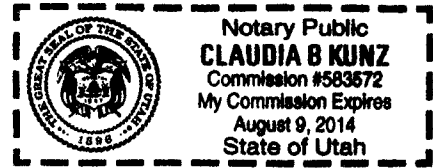
STATE OF UTAH  
COUNTY OF Salt Lake

I, Claudia B. Kunz, a Notary Public of the County and State aforesaid, certify that Bentley McEntire personally came before me this day and acknowledged that (s)he is a Board Chair of HighMark Charter School, 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 11th day of September, 2013.

[SEAL]

Claudia B. Kunz  
Notary Public  
My Commission expires: 8-9-2014



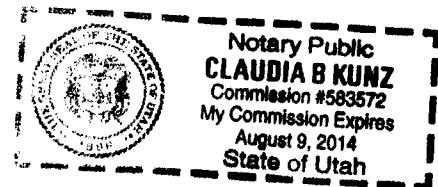
STATE OF UTAH  
COUNTY OF Salt Lake

I, Claudia B. Kunz, a Notary Public of the County and State aforesaid, certify that Tom Moser personally came before me this day and acknowledged that (s)he is Assistant Vice President of AGCREDIT, ACA, for itself and as agent/nominee of AgCredit, FLCA and that (s)he, as Assistant Vice President being authorized to do so, executed the foregoing on behalf of the association.

WITNESS my hand and official stamp or seal, this the 11th day of September, 2013.

[SEAL]

Claudia B. Kunz  
Notary Public  
My Commission expires: 8-9-2014



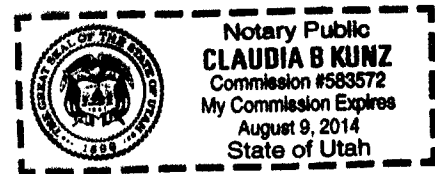
STATE OF UTAH  
COUNTY OF Salt Lake

I, Claudia B. Kunz, a Notary Public of the County and State aforesaid, certify that Kim 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 11th day of September, 2013.

[SEAL]

Claudia B. Kunz  
Notary Public  
My Commission expires: 8-9-2014



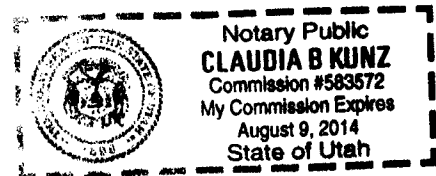
STATE OF UTAH  
COUNTY OF Salt Lake

I, Claudia B. Kunz, 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, ACTING THROUGH THE RURAL HOUSING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, 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 11th day of September, 2013.

[SEAL]

Claudia B. Kunz  
Notary Public  
My Commission expires: 8-9-2014



*Exhibit A*

All of Lot 1, **HIGHMARK SUBDIVISION**, according to the Official Plat thereof, recorded in the Office of the County Recorder of **DAVIS** County, State of Utah.

*The following is shown for informational purposes only: Tax Parcel No. 13-292-0001*

\*\*\*\*\*