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T40225
WHEN RECORDED, MAIL TO:

CHARTER HOLDINGS, LLC

399 North Main, Suite 325

Logan, Utah 84321

Ent 874188 Bk 1322 Pg 726
Date 8-Oct-2004 9:39AM Fee \$28.00
Michael Gleed, Rec. - Filed By AM
Cache County, UT
For HICKMAN LAND TITLE COMPANY

TRUST DEED
With Assignment of Rents

THIS TRUST DEED, made this 7th day October, 2004

between THOMAS EDISON CHARTER SCHOOL, INC., as TRUSTOR,

whose address is 180 East 2600 North North Logan Utah 84341
(Street and number) (City) (State)

HICKMAN LAND TITLE COMPANY, as TRUSTEE,* and

CHARTER HOLDINGS, LLC a/k/a CHARTER HOLDINGS, L.L.C. as BENEFICIARY,

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property, situated in Cache County, State of Utah:

See Attached Legal

04-060-0038, 04-060-0043, 04-060-0049, 04-060-0050, 04-060-0052

Together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with said property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING (1) payment of the indebtedness evidenced by a promissory note of even date herewith, in the principal sum of \$476,633.47, made by Trustor, payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of Trustor herein contained; (3) the payment of such additional loans or advances as hereafter may be made to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

*NOTE: Trustee must be a member of the Utah State Bar; a bank, building and loan association or savings and loan association authorized to do such business in Utah; a corporation authorized to do a trust business in Utah; or a title insurance or abstract company authorized to do such business in Utah.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting said property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general; and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Trustor further agrees:

(a) To commence construction promptly and to pursue same with reasonable diligence to completion in accordance with plans and specifications satisfactory to Beneficiary, and

(b) To allow Beneficiary to inspect said property at all times during construction.

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Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. To provide and maintain insurance, of such type or types and amounts as Beneficiary may require, on the improvements now existing or hereafter erected or placed on said property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged.

3. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof supplements thereto.

4. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to said property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary of Trustee.

5. To pay at least 10 days before delinquency all taxes and assessments affecting said property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with said property; to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay all cost, fees, and expenses of this Trust.

6. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including cost of evidence of title, employ counsel, and pay his reasonable fees.

7. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate of ten per cent (10%) per annum until paid, and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

8. Should said property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefore, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

9. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of said property. The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

10. As additional security, Trustor hereby assigns Beneficiary, during the continuance of these trust, all rents, issues, royalties, and profits of the property affected by this Trust Deed and of any personal property located thereon. Until trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any of such moneys shall cease and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

11. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

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12. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of said property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

14. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause said property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the note and all documents evidencing expenditures secured hereby.

15. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the notice of sale, notice thereof shall be given in the same manner as the original notice of sale. Trustee shall execute and deliver to the purchaser its Deed conveying said property so sold, but without any covenant or warranty, express or implies. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at 10% per annum from date of expenditure; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

16. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceeding all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

17. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which said property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

18. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the note secured hereby. In this Trust Deed, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

19. (a) In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, alienated or further encumbered or transferred, including any water transfer as defined in subsection (b) below, by Trustor, or by operation of law or otherwise, without Beneficiary's prior written consent, all Indebtedness, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

(b) A water transfer is any transfer, assignment, sale, agreement to sell, conveyance, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of any existing or hereafter created or acquired Water Assets.

20. Trustee accepts this Trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Trust Deed or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

21. This Trust Deed shall be construed according to the laws of the State of Utah.

22. The undersigned Trustor and the above mentioned Beneficiary requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

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Signature(s) of Trustor(s)

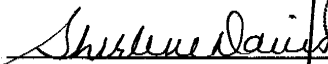

 THOMAS EDISON CHARTER SCHOOL, INC.

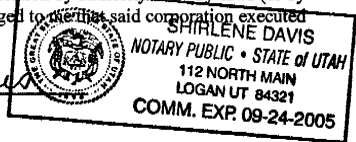
(If Trustor a Corporation)

STATE OF UTAH }
 } ss.
 COUNTY OF

On the 7th day of October, A.D. 2004, personally appeared before me James C. Peterson, who being by me duly sworn, say that he is the Board Chairman of Thomas Edison Charter School, Inc., the corporation that executed the above and foregoing instrument and that said instrument was signed in behalf of said corporation by authority of its by-laws (or by authority of a resolution of its board of directors) and said James C. Peterson acknowledged to me that said corporation executed the same.

My Commission Expires: 9/24/2005
 Residing at: Logan, Utah


 Notary Public



(To be used only when indebtedness secured hereby has been paid in full)

REQUEST FOR FULL RECONVEYANCE

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Trust Deed. Said note, together with all other indebtedness secured by said Trust Deed has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Trust Deed, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Trust Deed delivered to you herewith, together with the said Trust Deed, and to reconvey, without warranty, to the parties designated by the terms of said Trust Deed, all the estate now held by you thereunder.

Dated _____, 20____.

Mail reconveyance to _____

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Legal Description

Parcel 1: Part of Block 2, Plat "A" HYDE PARK FARM SURVEY, Section 15, Township 12 North, Range 1 East of the Salt Lake Base and Meridian, further described as follows:

Beginning at a point being South 88°17'57" East 171.0 feet from a point of record East along the South line of said 2600 North Street 690.31 feet from a point in the East right of way line of U.S. Highway 91, North 1°06'28" East 744.83 feet from the intersection of the East line of said Highway with the North line of said Lot 4, Block 18, Plat "D" of the LOGAN FARM SURVEY, and running thence South 08°15'26" East 155.9 feet along an existing fence line to a point in the South line of the Dwyth M. Daines property, thence South 88°18'10" East 262.5 feet along said South line to the true point of beginning, and running thence South 1°00'28" West by record (31.15 by measurement) more or less to the North line of the Bullen Brothers Property; thence South 88°18'10" East 283.09 feet, more or less, to the West line of 200 East Street, thence along the West line of 200 East Street North 0°32'50" East 171.30 feet to the South line of 2600 North Street; thence Westerly along the South line of said 2600 North Street to a point North 1°00'28" East 190.3 feet by record (200.93 by measurement) of the point of beginning, thence South 1°00'28" West 200.93 feet, more or less to the point of beginning.

Also Subject to a 10' public utility easement along the Easterly described boundary line.

Parcel 2: Beginning South 88°17'57" East 171 feet from a point by record East along the South line of 2600 North Street 690.31 feet of the point in the East line of US Highway 91; thence North 1°06'28" East 744.83 feet from the intersection of the East line of Highway with the North line of Lot 4, Block 18, Plat "D" LOGAN FARM SURVEY and thence South 8°15'26" East 155.9 feet; thence South 88°18'10" East 262.5 feet to the true point of beginning; thence West 80 feet; thence North 123.5 feet to the South line of 2600 North street; thence Easterly along street 80 feet to a point North of the true point of beginning; thence South to the true point of beginning.

Parcel 3: Beginning South 88°17'57" East 171 feet from a point by record East along the South line of 2600 North Street, 690.31 feet of a point in the East line of US Highway 91; thence North 1°06'28" East 744.83 feet from the intersection of the East line of Highway with the North line of Lot 4, Block 18, Plat "D" LOGAN FARM SURVEY, and thence South 8°15'26" East 155.9 feet; thence South 88°18'10" East 262.5 feet to the true point of beginning; thence West 80 feet; thence North 123.5 feet to the South line of 2600 North Street; thence Easterly along street 80 feet to a point North of the true point of beginning; thence South to the true point of beginning.

Parcel 4: Beginning East 670.64 feet along the South line of 2600 North Street and 20.84 feet along a curve to the left with a radius of 718 feet from the intersection of the South line of 2600 North Street and the East line of US Highway 91 and thence 170.69 feet along said curve to the left; thence South 7°36'04" East 169.48 feet; thence South 89°19'53" East 181.73 feet to the true point of beginning; thence South 89°19'53" East 80.00 feet; thence South 1°00'28" West 31.15 feet to the North line of Bullen Inc. Property; thence North 88°18'10" West 80.0 feet along the North line of said property; thence North 1°18'12" East 29.7 feet to the true point of beginning.

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Parcel 5: Beginning at the intersection of the East line of Highway 91 and North line of Lot 4, Block 18, Plat "D" LOGAN FARM SURVEY and thence North 567.97 feet and East 1060.71 feet to the Northeast Corner of a fence and the North line of Bullen Property and the true point of beginning; thence South 88°18'11" East 379.5 feet to the West line of 200 East street; thence South 0°10'24" West 80.0 feet along street; thence North 88°18'11" West 381.36 feet to a fence line; thence North 1°30'10" East 79.97 feet along the fence to the true point of beginning.

Parcel 6: Part of the Southwest Quarter of Section 12, Township 12 North, Range 1 East of the Salt Lake Base and Meridian, described as follows: Commencing at the intersection of the East right of way line of U.S. 91 and the North line of Lot 4, Block 18, Plat "D" LOGAN FARM SURVEY, and running North 488 feet and East 1060.71 feet to the true point of beginning, thence South 88°18'11" East 381.36 feet to the West right of way line of 200 East street; thence South 0°10'24" West 142.78 feet (South 0°32'50" West by record) along said line; thence North 88°18'11" West 381.36 feet; thence North 1°30'10" East 142.78 feet along said fence to the true point of beginning.

Subject to a right of way described as follows: Part of the Southwest Quarter of Section 12, Township 12 North, Range 1 East of the Salt Lake Base and Meridian, described as follows: Commencing at the intersection of the East right of way line of U.S. 91 and the North line of Lot 4, Block 18, Plat "D" LOGAN FARM SURVEY, and running North 488 feet and East 1060.71 feet to the true point of beginning; thence South 88°18'11" East 381.6 feet to the West right of way line of 200 East street; thence South 0°10'24" West 30.00 feet (South 0°32'50" West by record) along said line; thence North 88°18'11" West 381.36 feet, more or less to an existing fence line; thence North 1°30'10" East 30.00 feet along said fence to the true point of beginning.

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