

Form RD 1927-7 UT
(Rev. 9-98)

Position 5

Mail To:
Title West
P.O. No. 1550 En. #150
Orem, UT 84097

Real Estate Deed of Trust for Utah

THIS DEED OF TRUST is made and entered into by and between the undersigned THOMAS EDISON CHARTER SCHOOL, INC.

residing in CACHE County, UTAH whose post office address
is 180 EAST 2600 NORTH, NORTH LOGAN, UTAH 84341

as trustors herein called "Borrower," and the United States of America, acting through the United States Department of Agriculture, 125 South State Street, Rm 4311 Salt Lake City, Utah 84138, as trustee, herein called "Trustee," and the United States of America, acting through the United States Department of Agriculture, as beneficiary, herein called the "Government," and:

WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>
OCTOBER 1, 2008	\$4,000,000.00

COUNTY RECORDING
This document is being recorded as a county record and is subject to the parties named therein. American Secure Title hereby expressly disclaims any responsibility or liability for the accuracy of the document.

Ent 981487 Bk 1536 Pg 1469
Date: 1-Oct-2008 12:44 PM Fee \$31.00
Cache County, UT
Michael Gleed, Rec. - Filed By GC
For AMERICAN SECURE TITLE

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and pursuant to the Consolidated Farm and Rural Development Act, or title V of the Housing Act of 1949 or any other statutes administered by the Government;

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government or in the event the Government should assign this instrument, this instrument shall secure payment of the note and shall secure any FUTURE ADVANCES by the Government to the Borrower (all references herein to the "note" shall be deemed to include such future advances;

And this instrument also secures any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans, Borrower does hereby grant, bargain, sell, convey, and assign unto trustee the following described property situated in the State of Utah, County (or) Counties of CACHE

See Exhibit A and Exhibit B attached hereto and incorporated herein.

RD 1927-7 UT (Rev. 9-98)

TWJ803307D

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues, income and insurance proceeds therefrom, all improvements, all water, water rights, water stock, and sprinkling and irrigation systems, pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein-all of which are herein called "the property."

Ent 981487 Bk 1536 Pg 1470

TO HAVE AND TO HOLD the property unto Trustee, Trustee's successors, grantees and assigns forever and in fee simple:

IN TRUST, NEVERTHELESS, (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, and (b) to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS the property unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyance specified hereinabove, and COVENANTS AND AGREES as follows:

- (1) To pay promptly when due any indebtedness to the Government hereby secured.
- (2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government.
- (3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (4) The Government may at any time pay any other amounts including advances for payment of prior or junior liens, required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for Borrower's account. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
- (5) All advances by the Government, including advances for payment of prior or junior liens, in addition to any advances required by the terms of the note, as described by this instrument, with interest shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.
- (6) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipt evidencing such payments.
- (8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.
- (9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (10) To comply with all laws, ordinances, and regulations affecting the property.
- (11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default) including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustee's fees, court costs, and expenses of advertising, selling, and conveying the property.
- (12) Except as otherwise provided by the Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as beneficiary hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.
- (13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government whether once or often in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

Ent 981487 Bk 1536 Pg 1471

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, and (d) authorize and request Trustee to foreclose this instrument and sell the property as provided by law, (e) bring an action to foreclose this instrument, obtain a deficiency judgment, or enforce any other remedy provided by law.

(18) At the request of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of the Government, personal notice of which sale need not be served on Borrower; and at such sale the Government and its agents may bid and purchase as a stranger; Trustee at Trustee's option may conduct such sale without being personally present, through Trustee's delegate authorized by Trustee for such purpose orally or in writing; and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through Trustee's delegate duly authorized in accordance herewith.

(19) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise: and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(21) Borrower agrees that the Government will not be bound by any present or future State laws, (a) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (b) prescribing any other statute of limitations, or (c) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower.

(22) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, national origin, disability, familial status or age, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, disability, familial status or age.

(23) If Borrower has a permit or approved application for the appropriation of water for use on or for the benefit of the property hereinabove described, Borrower will perform and complete all the action and fulfill all the conditions necessary to perfect such water right; and in the event of Borrower's failure to do so, the Government shall have the right to complete such action and to advance such sums as may be necessary for such purpose, such advances to be secured by this instrument.

(24) If the property, or any part thereof, is a lease or a purchaser's interest in a contract of sale, Borrower will pay when due all rents, contract payments and any and all other charges required by said lease or contract, will comply with all other requirements of said lease or contract, and will not surrender or relinquish, without the Government's written consent, any of Borrower's right, title and interest in or to the property or the lease or contract while this instrument remains in effect.

(25) Borrower has assigned or waived or will immediately, on request of the Government, assign or waive in favor of the Government all grazing privileges, permits, licenses, or leases appurtenant to or used in connection with said land, and Borrower further covenants and agrees to produce renewals thereof prior to their expiration, to pay all fees and charges and to perform all acts and to do all things necessary to keep and preserve all said grazing rights and renewals thereof, and in the event of the failure of Borrower to do any of these things the Government may do so on behalf of Borrower, including advancing such sums as may be necessary for this purpose, and such funds advanced shall be secured by this instrument.

(26) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land, or the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(27) This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof.

(28) Notices, including any Notice of Default and Notice of Sale, shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of both Trustee and the Government to the address stated above and in the case of Borrower at the post office address shown above.

(29) Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent, or otherwise, contained herein or secured hereby, the Government shall request Trustee to execute and deliver to Borrower at Borrower's address a full reconveyance of the property within 60 days after written demand by Borrower, and Borrower hereby waives the benefits of all laws requiring earlier execution or delivery of such reconveyance.

(30) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

WITNESS the hands and seals of Borrower this 1st day of October, 2008

Thomas Edison Charter School, Inc.

Michael Elder
Name

President
Title Ent **981487** Bk **1536** Pg **1472**

STATE OF UTAH }
COUNTY OF SALT LAKE } ss:

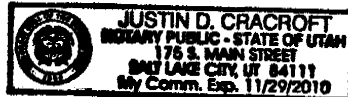
ACKNOWLEDGMENT

On this 1st day of October, 2008, personally appeared before me Michael Elder the signers of the above instrument, who duly acknowledged to me that Michael Elder executed the same.

Justin D. Cracroft

Notary Public, residing at: 175 S. MAIN ST.
SLC, UT 84111

(NOTARIAL SEAL)



My commission expires: 11/29/10

(31) This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Resolution Security Agreement dated September 11, 2008.

TW280734574

LEGAL DESCRIPTION
EXHIBIT A

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 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 171.3 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.

Ent 981487 Bk 1536 Pg 1473

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 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.

Parcel 4: 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.

TW280734574

Parcel 5: 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.

Ent 981487 Bk 1536 Pg 1474

Parcel 6: Lot 1, Sierra Park Phase 1 Subdivision, according to the official plat thereof, on file and of record in the office of the Cache County Recorder.

Parcel 7: A part of the Southwest Quarter of Section 17, Township 11 North, Range 1 East, of the Salt Lake Base and Meridian, located in the County of Cache, State of Utah, described as follows: Commencing at the center Quarter Corner of said Section; thence South 0°29'09" East 561.81 feet along the East line of said Southwest Quarter; thence South 89°30'51" West 467.97 feet to the point of beginning, said point being the Southeast corner of Parcel 2, as described in Entry #671342, in Book 777, at Page 232, as filed with the Recorder of Cache County; Also being the Northerly corner of Lot 1, Sierra Park Phase 1 Subdivision, according to the official plat thereof, on file and of record in the office of the Cache County Recorder; thence along the Southerly boundary of said Parcel 2 and along the boundary line of said Lot 1, Sierra Park Phase 1, for the following 6 courses: (1) South 55°22'22" West 233.69 feet (239.69 feet by deed); (2) North 78°46'42" West 24.89 feet; (3) North 66°12'42" West 14.69 feet; (4) North 47°04'08" West 45.23 feet; (5) North 40°06'34" West 19.26 feet; (6) North 29°34'24" West 60.35 feet to the Southerly line of the Lynn V. Nielsen and Bernice C. Nielsen Family Trust property to the North; thence along said Southerly property line, North 85°30'27" East 306.39 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION
THOMAS EDISON CHARTER SCHOOL, INC.

That certain real property located in Cache County, Utah, specifically described as follows:

Parcel 1:

Lot 1, Sierra Park Phase 1 Subdivision, according to the official plat thereof, on file and of record in the office of the Cache County Recorder.

Parcel 2:

A part of the Southwest Quarter of Section 17, Township 11 North, Range 1 East, of the Salt Lake Base and Meridian, located in the County of Cache, State of Utah, described as follows: Commencing at the center Quarter Corner of said Section; thence South 0°29'09" East 561.81 feet along the East line of said Southwest Quarter; thence South 89°30'51" West 467.97 feet to the point of beginning, said point being the Southeast corner of Parcel 2, as described in Entry #671342, in Book 777, at Page 232, as filed with the Recorder of Cache County; Also being the Northerly corner of Lot 1, Sierra Park Phase 1 Subdivision, according to the official plat thereof, on file and of record in the office of the Cache County Recorder; thence along the Southerly boundary of said Parcel 2 and along the boundary line of said Lot 1, Sierra Park Phase 1, for the following 6 courses: (1) South 55°22'22" West 233.69 feet (239.69 feet by deed); (2) North 78°46'42" West 24.89 feet; (3) North 66°12'42" West 14.69 feet; (4) North 47°04'08" West 45.23 feet; (5) North 40°06'34" West 19.26 feet; (6) North 29°34'24" West 60.35 feet to the Southerly line of the Lynn V. Nielsen and Bernice C. Nielsen Family Trust property to the North; thence along said Southerly property line, North 85°30'27" East 306.39 feet to the point of beginning.

The following is shown for information purposes only: 03-007-0027 and 03-007-0026

Ent 981487 bk 1536 Pg 1475