

When recorded, return to:
USDA, Rural Development
125 S. State St., Rm 4311
Salt Lake City, UT 84138

E 2938086 B 6514 P 986-991
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
5/11/2016 1:29:00 PM
FEE \$20.00 Pgs: 6
DEP eCASH REC'D FOR FOUNDERS TITLE CO - I

08-076-0120

PARITY AGREEMENT

16-020696

THIS PARITY LIEN AGREEMENT (the "Agreement") is made and entered into effective as of the 10th day of May, 2016, by and between BANNER BANK and the UNITED STATES OF AMERICA, ACTING THROUGH THE, UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE (the "USDA").

RECITALS:

A. Banner Bank, has made a loan in the stated principal amount of \$4,325,000 to Ascent Academies of Utah, a Utah nonprofit corporation, as borrower, (the "Banner Bank Loan") dated May 10, 2016 and to evidence the loan borrower has executed a Promissory Note, a Loan Agreement, a Security Agreement and that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement (the "Banner Bank Deed of Trust") dated May 10, 2016 as Trustor, in favor of Banner Bank as Beneficiary, relating to the real property (the "Property") in Davis County, State of Utah more particularly described on Exhibit "A" attached hereto.

B. The USDA has made a loan (the "USDA Loan") to Ascent Academies of Utah, such USDA Loan is evidenced by a \$4,325,000 Promissory Note secured by that certain Real Estate Deed of Trust (the "USDA Deed of Trust") dated May 10, 2016 which was executed in favor of the USDA as Beneficiary, also relating to the Property, a Security Agreement and related Financing Statements.

C. The Banner Bank loan and USDA Loan relate to the same project being acquired by Ascent Academies of Utah, and it is the intention of Banner Bank and the USDA that they shall share a proportionate parity security interest in the Property, revenues and income from the operation of the Project, notwithstanding the order in which the Banner Bank Deed of Trust and USDA Deed of Trust are recorded in the official records of the Davis County Recorder.

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 Banner Bank 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 Banner Bank Deed of Trust and the USDA Deed of Trust, shall, as between Banner Bank and the USDA, 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, Banner Bank and the USDA will be affected on a proportionate basis. 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 BANNER BANK and the USDA based up on the respective current installments of principal and interest due on the Banner Bank Loan and the USDA Loan.

2. **Cross-Default.** The parties hereto hereby agree that the occurrence of an event of default under the Banner Bank Deed of Trust and the USDA Deed of Trust shall be deemed to constitute an event of default under each of the other Deeds of Trust, whether or not an actual event of default has occurred under the terms of the other Deeds of Trust. If either Banner Bank or the USDA declares that an event of default has occurred, said party shall give written notice to the other, and both parties shall have the right to pursue its rights under its own Deed of Trust and Security Agreement, including exercising the power of sale of the Property.

3. **Rights to Proceeds.** In the event of foreclosure, sale or liquidation of any of the secured property, fixed assets, or other security for obligations due to Banner Bank and the USDA pursuant to the respective loan documents, Banner Bank 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 the respective loans, provided, however, that the maximum amount payable to either of said parties shall not exceed the amount payable to Banner Bank or the USDA pursuant to the terms of that party's Deed of Trust. However, if any protective advance(s) are made by Banner Bank and/or the USDA for the mutual protection of Banner Bank or the USDA said protective advances shall receive first priority in the apportionment of funds as herein described. For purposes of this agreement Banner Bank and the USDA agree that protective advances are payments made by one or both of the parties hereto for items such as insurance or taxes, for the purpose of protecting the security value of the property. If either Banner Bank 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 Banner Bank and the USDA with respect to the Property and the revenues and income from the operation of the Project and shall not modify, reduce or otherwise affect the duties and obligation of the Trustor under the Banner Bank Deed of Trust, the USDA Deed of Trust, the Security Agreements 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 Davis County Recorder.

6. Unless the parties otherwise agree in writing, any additional loans made to the Borrower by either Lender shall not share in the benefits of this Agreement and any liens securing additional loans encumbering the Property shall be subsequent and inferior to the joint and parity lien established herein.

7. This Agreement shall remain in full force and effect during the financing period and so long as either Lender has amounts due it by virtue of this Agreement. Neither Lender shall accept tender of final payment from the Borrower without first notifying the other Lender and ensuring that all requirements of this Agreement have first been met before, or simultaneously with, accepting said payment.

8. This Agreement shall be binding upon the parties, their heirs, successors and assigns.

9. This agreement is subject to applicable Federal Law and the laws of the State of Utah and said laws shall govern its interpretation, performance and enforcement.

10. This Agreement may be executed and acknowledged in any number of counterparts and through the use of separate and/or duplicate signature pages and acknowledgements, and shall become binding upon each party when all parties necessary to bind such party have executed and, as appropriate, acknowledged this Agreement. Each of such counterparts and separate and/or duplicate signature pages and acknowledgements shall be deemed to be an original as against any party whose signature(s) appear(s) on it, and all such counterparts, pages and acknowledgements shall together constitute but one and the same Agreement

DATED effective as of the date first written above.

BANNER BANK

By: [Signature]
Name: SOB TRUNZO
Title: Vice President

USDA:
UNITED STATES OF AMERICA, ACTING
THROUGH THE U.S. DEPARTMENT OF
AGRICULTURE, RURAL HOUSING SERVICE

By: [Signature]
Name: Debra Meyer
Title: CP Director

ASCENT ACADEMIES OF UTAH
a Utah nonprofit Corporation

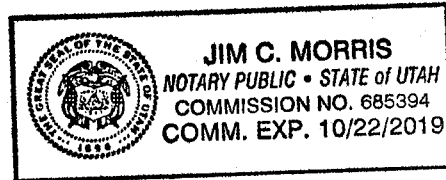
By: [Signature]
Name: TYLER SCHWANEVELDT
Title: FINANCIAL COORDINATOR

STATE OF UTAH
COUNTY OF DAVIS

I, JIM C. MORRIS, a Notary Public of the County and State aforesaid, certify that JOE FRUNZO personally came before me this day and acknowledged that (s)he is V.P. of BANNER BANK and that (s)he, as V.P. being authorized to do so, executed the foregoing on behalf of the agency.

WITNESS my hand and official stamp or seal, this the 10 day of May, 2016.
[SEAL]

[Signature]
Notary Public
My Commission expires: 10-22-19

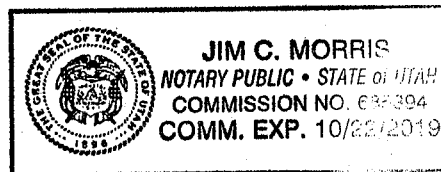


STATE OF UTAH
COUNTY OF DAVIS

I, JIM C. MORRIS, 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 C.P. Director of U.S. DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE and that (s)he, as C.P. Director being authorized to do so, executed the foregoing on behalf of the agency.

WITNESS my hand and official stamp or seal, this the 10 day of May, 2016.
[SEAL]

[Signature]
Notary Public
My Commission expires: 10-22-19



STATE OF UTAH
COUNTY OF Davis

I, Jim C. Morris, a Notary Public of the County and State aforesaid, certify that TYLER SCHVANEVELDT personally came before me this day and acknowledged that (s)he is FIN. Coordinator of ASCENT ACADEMIES OF UTAH, a Utah nonprofit corporation, and that (s)he, as FIN. Coordinator being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this the 10 day of May, 2016.
[SEAL]

Jim C. Morris
Notary Public
My Commission expires: 10-22-19

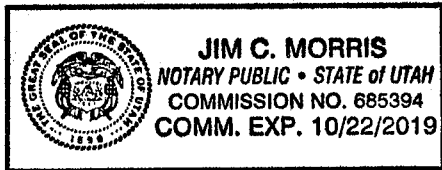


EXHIBIT A
PROPERTY DESCRIPTION

BEGINNING AT THE CENTER OF SECTION 24, TOWNSHIP 3 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DAVIS COUNTY, UTAH AND RUNNING THENCE SOUTH 00°05'50" EAST 473.66 FEET ALONG THE QUARTER SECTION LINE AND THENCE SOUTH 90°00'00" WEST 341.46 FEET; THENCE NORTH 0°00'00" EAST 40.47 FEET; THENCE SOUTH 90°00'00" WEST 226.66 FEET TO A POINT 20 FEET EASTERLY FROM THE TOP BANK OF A STREAM; THENCE NORTHEASTERLY ALONG SAID LINE NORTH 25°00'10" EAST 47.76 FEET, NORTH 25°46'40" EAST 66.33 FEET, NORTH 32°55'22" EAST 97.73 FEET, NORTH 30°33'52" EAST 56.47 FEET, NORTH 30°48'40" EAST 60.62 FEET, NORTH 36°08'11" EAST 57.53 FEET, NORTH 50°39'16" EAST 48.30 FEET, NORTH 56°01'08" EAST 63.21 FEET, NORTH 55°21'40" EAST 63.44 FEET, NORTH 45°20'11" EAST 126.41 FEET TO A POINT ON A 475.00 FOOT RADIUS CURVE TO THE LEFT; THENCE EASTERLY ALONG THE ARC OF SAID CURVE FOR A DISTANCE OF 119.83 FEET, (CENTRAL ANGLE=14°27'15", CHORD BEARING AND DISTANCE=SOUTH 82°21'57" EAST 119.51 FEET); THENCE SOUTH 89°34'49" EAST 20.99 FEET; THENCE SOUTH 00°07'40" EAST 73.85 FEET TO THE POINT OF BEGINNING.
08-076-0120

The mailing address of said property is: 22 SOUTH 650 WEST, FARMINGTON, UT 84025