

PREPARED BY
~~AND WHEN RECORDED MAIL TO:~~

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attn: Kerri Garipoli, Esq.

Re: La Petite Academy, Inc.


Location: 5198 Valleydale Road

Municipality: Birmingham

County: Shelby County

State: Alabama

Cross reference to: Deed recorded in the
official records of the County of Shelby, State of
Alabama, at Book 353, Page 424


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Shelby Cnty Judge of Probate, AL
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**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

This **MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING**, dated as of May 13, 2010 (as it may be amended, supplemented or otherwise modified from time to time, this "Mortgage"), by and from LA PETITE ACADEMY, INC., a Delaware corporation, with an address c/o Learning Care Group (US) No. 2 Inc., 21333 Haggerty Road, Suite 300, Novi, Michigan 48375 ("Mortgagor") to WILMINGTON TRUST FSB, with an address of Corporate Client Services, 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402, as Collateral Trustee (as defined in the Note Purchase Agreement, defined below) for the benefit of the Purchasers (as defined in the Note Purchase Agreement, defined below) (in such capacity, together with its successors and assigns, "Mortgagee").

RECITALS:

WHEREAS, reference is made to that certain Note Purchase and Guarantee Agreement, dated as of April 27, 2010 (as it may be amended, supplemented or otherwise modified, the "Note Purchase Agreement"; all capitalized terms defined therein and not otherwise defined herein shall have the meanings ascribed to them in the Note Purchase Agreement), entered into

Site #0026
NY\1465844.4

Return to:
Zonia N. Veal
First National Financial Title Services, Inc.
3237 Satellite Blvd, Bldg 300, Suite 450
Duluth, GA 30096
File No. 145794-8

by and among LEARNING CARE GROUP (US) INC., a Delaware corporation (“Holdings”), LEARNING CARE GROUP (US) NO. 2 INC., a Delaware corporation (the “Company”), LA PETITE HOLDINGS, INC., a Delaware corporation (“LPH”), LEARNING CARE GROUP INC., a Michigan corporation (together with the Issuer Company and LPH, individually or collectively, as the context requires, “Issuer”), certain subsidiaries of the Issuers, as Guarantors, the purchasers from time to time parties to the Note Purchase Agreement (the “Purchasers”), and TCW/CRESCENT MEZZANINE MANAGEMENT V, LLC, a Delaware limited liability company as a Purchaser and as Senior Notes Representative.

WHEREAS, Holdings, the Company and certain of their affiliates have entered into the Senior Credit Agreement, and the relative rights of the Purchasers and the lenders under the Senior Credit Agreement (collectively, “Senior Lender”) with respect to the collateral for obligations under the Note Documents and the Senior Loan Documents, including the Mortgaged Property, are governed by a certain Collateral Trust Agreement dated April 27, 2010 by and among the Company and other Grantors party thereto, Barclays Bank PLC as Administrative Agent under the Senior Credit Agreement, Senior Notes Representative and the Collateral Trustee (the “Collateral Trust Agreement”);

WHEREAS, subject to the terms and conditions of the Note Purchase Agreement, Mortgagor may enter into one or more Hedge Agreements with one or more Purchasers;

WHEREAS, either (a) Mortgagor is an Issuer or (b) Mortgagor is the wholly owned subsidiary of an Issuer or (c) an Issuer directly or indirectly owns a controlling interest in Mortgagor or (d) an Issuer is the sole member or a member of Mortgagor or (e) an Issuer is the general or managing partner of Mortgagor, as a result of any of which Mortgagor is a direct or indirect beneficiary of the Notes and other accommodations of Purchasers as set forth in the Note Purchase Agreement and may receive advances therefrom, whether or not Mortgagor is a party to the Note Purchase Agreement; and

WHEREAS, in consideration of the purchase of the Notes and other accommodations of Purchasers as set forth in the Note Purchase Agreement and the Hedge Agreements, respectively, Mortgagor has agreed, subject to the terms and conditions hereof, the Note Purchase Agreement, each other Note Document to which it is a party and each of the Hedge Agreements, to secure Mortgagor’s obligations under the Note Documents and the Hedge Agreements as set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, Mortgagee and Mortgagor agree as follows:

SECTION 1. DEFINITIONS

1.1 Definitions. Capitalized terms used herein (including the recitals hereto) not otherwise defined herein shall have the meanings ascribed thereto in the Note Purchase Agreement. In addition, as used herein, the following terms shall have the following meanings:

“**Indebtedness**” means (i) with respect to the Issuers, all Obligations (as defined below) and liabilities of every nature of the Issuers (including incremental facilities, if any, that may be

advanced on the date hereof or on a later date) now or hereafter existing under or arising out of or in connection with the Note Purchase Agreement and the other Note Documents and any Hedge Agreement; and (ii) with respect to Issuer or Mortgagor, all obligations and liabilities of every nature of Issuer or Mortgagor now or hereafter existing under or arising out of or in connection with any other Note Document, in each case together with all extensions or renewals thereof, whether for principal, interest (including interest that, but for the filing of a petition in bankruptcy with respect to the Issuer, would accrue on such obligations, whether or not a claim is allowed against the Issuer for such interest in the related bankruptcy proceeding), payments for early termination of Hedge Agreements, fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Mortgagor, or any Purchaser as a preference, fraudulent transfer or otherwise, and all obligations of every nature of Mortgagor now or hereafter existing under this Mortgage.

“Mortgaged Property” means all of Mortgagor’s interest in (i) the real property described in Exhibit A, together with any greater or additional estate therein as hereafter may be acquired by Mortgagor (the “Land”); (ii) all improvements now owned or hereafter acquired by Mortgagor, now or at any time situated, placed or constructed upon the Land subject to the Liens permitted under the terms of the Note Purchase Agreement (the “Permitted Liens”), (the “Improvements”); the Land and Improvements are collectively referred to as the “Premises”); (iii) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land, and water, gas, electrical, telephone, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the “Fixtures”); (iv) all right, title and interest of Mortgagor in and to all goods, accounts, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the UCC (defined below), now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Premises (the “Personalty”); (v) all reserves, escrows or impounds required under the Note Purchase Agreement and all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property (the “Deposit Accounts”); (vi) all leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person (other than Mortgagor) a possessory interest in, or the right to use, all or any part of the Mortgaged Property, together with all related security and other deposits subject to depositors rights and requirements of law (the “Leases”); (vii) all of the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits subject to depositors rights and requirements of law, and other benefits paid or payable by parties to the Leases for using, leasing, licensing possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property (the “Rents”), (viii) to the extent mortgageable or assignable all other agreements, such as construction contracts, architects’ agreements, engineers’ contracts, utility contracts, maintenance agreements, management agreements, service contracts, listing agreements, guaranties, warranties, permits, licenses, certificates and entitlements in any way relating to the construction, use, occupancy, operation,

maintenance, enjoyment or ownership of the Mortgaged Property (the “Property Agreements”); (ix) to the extent mortgageable or assignable all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing; (x) all property tax refunds payable to Mortgagor (the “Tax Refunds”); (xi) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof (the “Proceeds”); (xii) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor (the “Insurance”); and (xiii) all of Mortgagor’s right, title and interest in and to any awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements, Fixtures or Personalty (the “Condemnation Awards”). As used in this Mortgage, the term “Mortgaged Property” shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

“**Obligations**” means all of the agreements, covenants, conditions, warranties, representations and other obligations of Mortgagor or Issuer (including, without limitation, the obligation to repay the Indebtedness) under the Note Purchase Agreement, any other Note Documents or any of the Hedge Agreements.

“**UCC**” means the Uniform Commercial Code of New York or, if the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than New York, then, as to the matter in question, the Uniform Commercial Code in effect in that state.

1.2 Interpretation. References to “Sections” shall be to Sections of this Mortgage unless otherwise specifically provided. Section headings in this Mortgage are included herein for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose or be given any substantive effect. The rules of construction set forth in Section 1.2 of the Note Purchase Agreement shall be applicable to this Mortgage mutatis mutandis.

1.3 Priority. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens granted on the Mortgaged Property securing obligations under the Senior Credit Facility and the Note Purchase Agreement, and notwithstanding any provision of the UCC or any other applicable law, the time of incurrence of any debt or any defect or deficiencies in, or failure to perfect or lapse in perfection of, or avoidance as a fraudulent conveyance or otherwise of, any Liens granted on the Mortgaged Property or any other circumstance whatsoever (i) the Lien of this Mortgage and (ii) the Lien granted on the Mortgaged Property pursuant to that certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing recorded in the official records of the County of Shelby, State of Alabama, at Book 353, Page 424, securing obligations under the Senior Credit Facility shall be of equal priority, as set forth in the Collateral Trust Agreement.

SECTION 2. GRANT

To secure the full and timely payment of the Indebtedness and the full performance of the Obligations, Mortgagor MORTGAGES, GRANTS, BARGAINS, ASSIGNS, SELLS and CONVEYS WITH POWER OF SALE (if available under State law), to Mortgagee the Mortgaged Property, subject, however, to the terms of the Note Purchase Agreement and the

Permitted Liens, TO HAVE AND TO HOLD the Mortgaged Property to Mortgagee, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee for so long as any of the Obligations remain outstanding, or such other time as is otherwise provided in the Note Purchase Agreement, upon the trust, terms and conditions contained herein.

SECTION 3. WARRANTIES, REPRESENTATIONS AND COVENANTS

3.1 Title. Mortgagor represents and warrants to Mortgagee that except for the Permitted Liens, (a) Mortgagor owns the Mortgaged Property free and clear of any liens, claims or interests, and (b) this Mortgage creates valid, enforceable first priority liens and security interests against the Mortgaged Property.

3.2 First Lien Status. Mortgagor shall preserve and protect the first lien and security interest status of this Mortgage to the extent related to the Mortgaged Property. If any lien or security interest other than a Permitted Lien is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released.

3.3 Payment and Performance. Mortgagor shall pay, or cause Issuer to pay, the Indebtedness when due under the Note Documents and shall perform the Obligations, or cause Issuer to perform the Obligations, in full when they are required to be performed as required under the Note Documents.

3.4 Replacement of Fixtures and Personalty. Except as otherwise permitted in the Note Purchase Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements, unless in the ordinary course of business or the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced by an article of equal or better suitability and value, owned by Mortgagor subject to the liens and security interests of this Mortgage and the other Note Documents, and free and clear of any other lien or security interest except any Permitted Lien or first approved in writing by Mortgagee.

3.5 Inspection. Mortgagor shall permit Mortgagee, and Mortgagee's agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and all books and records of Mortgagor located thereon, and, following the occurrence and during the continuance of an Event of Default, to conduct such environmental and engineering studies as Mortgagee may reasonably require; provided, such inspections and studies shall not materially interfere with the use and operation of the Mortgaged Property and subject to any restrictions as set forth in Schedule A hereto.

3.6 Covenants Running with the Land. All Obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the

Mortgaged Property. All Persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Note Purchase Agreement and the other Note Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee. In addition, all of the covenants of Mortgagor in any Note Document to which it is a party are incorporated herein by reference and, together with covenants in this Section, shall be covenants running with the land.

3.7 Condemnation Awards and Insurance Proceeds. Except as otherwise stated in the Note Purchase Agreement, Mortgagor assigns all awards and compensation to which it is entitled for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, subject to the terms of the Note Purchase Agreement. Mortgagor assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property, subject to the terms of the Note Purchase Agreement. Mortgagor authorizes Mortgagee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly, subject to the terms of the Note Purchase Agreement.

3.8 Change in Tax Law. Upon the enactment of or change in (including, without limitation, a change in interpretation of) any applicable law (i) deducting or allowing Mortgagor to deduct from the value of the Mortgaged Property for the purpose of taxation any lien or security interest thereon or (ii) subjecting Mortgagee or any of the Purchasers to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the Indebtedness or Mortgagee, and the result is to increase the taxes imposed upon or the cost to Mortgagee of maintaining the Indebtedness, or to reduce the amount of any payments receivable hereunder, then, and in any such event, Mortgagor shall, on demand, pay to Mortgagee and the Purchasers additional amounts to compensate for such increased costs or reduced amounts, provided that if any such payment or reimbursement shall be unlawful, or taxable to Mortgagee, or would constitute usury or render the Indebtedness wholly or partially usurious under applicable law, then Mortgagor shall pay or reimburse Mortgagee or the Purchasers for payment of the lawful and non-usurious portion thereof.

3.9 Mortgage Tax. Mortgagor shall (i) pay when due any tax imposed upon it or upon Mortgagee or any Purchaser pursuant to the tax law of the state in which the Mortgaged Property is located in connection with the execution, delivery and recordation of this Mortgage and any of the other Note Documents, and (ii) prepare, execute and file any form required to be prepared, executed and filed in connection therewith.

3.10 Principal Indebtedness. The Note Purchase Agreement provides for a maximum principal indebtedness of Two Hundred Million Dollars (\$200,000,000.00).

3.11 Prohibited Transfers. Except as expressly permitted by the Note Purchase Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, sell, lease or convey all or any part of the Mortgaged Property.

SECTION 4. DEFAULT AND FORECLOSURE

4.1 Remedies. If an Event of Default has occurred and is continuing, Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses: (a) declare the Indebtedness to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable; (b) enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon. If Mortgagor remains in possession of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor; (c) hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions hereof; (d) institute proceedings for the complete foreclosure of this Mortgage, either by judicial action or by power of sale, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels. With respect to any notices required or permitted under the UCC, Mortgagor agrees that ten (10) days' prior written notice shall be deemed commercially reasonable. At any such sale by virtue of any judicial proceedings, power of sale, or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee or any of the Purchasers may be a purchaser at such sale and if Mortgagee is the highest bidder, Mortgagee shall credit the portion of the purchase price that would be distributed to Mortgagee against the Indebtedness in lieu of paying cash. In the event this Mortgage is foreclosed by judicial action, appraisement of the Mortgaged Property is waived; (e) make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions hereof; and/or (f) exercise all other rights, remedies and recourses granted under the Note Documents or otherwise available at law or in equity.

4.2 Separate Sales. The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee in its sole discretion may elect; the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

4.3 Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee shall have all rights, remedies and recourses granted in the Note Documents and available at law or equity (including the UCC), which rights (a) shall be cumulated and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated under the Note Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee or the Purchasers, (c) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee or the Purchasers in the enforcement of any rights, remedies or recourses under the Note Documents or otherwise at law or equity shall be deemed to cure any Event of Default.

4.4 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Note Documents or their status as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

4.5 Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of any Event of Default or of Mortgagee's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Note Documents; and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

4.6 Discontinuance of Proceedings. If Mortgagee or, to the extent permitted under the Note Purchase Agreement, the Purchasers, shall have proceeded to invoke any right, remedy or recourse permitted under the Note Documents and shall thereafter have elected to discontinue or abandon it for any reason, Mortgagee or the Purchasers, if applicable, shall have the unqualified right to do so and, in such an event, Mortgagor and Mortgagee or the Purchasers, if applicable, shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Note Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee or the Purchasers, if applicable, shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Mortgagee or the Purchasers thereafter to exercise any right, remedy or recourse under the Note Documents for such Event of Default.

4.7 Application of Proceeds. The proceeds of any sale or foreclosure of, and the Rents and other amounts generated by holding, leasing, managing or otherwise operating or using the Mortgaged Property or any portion thereof, shall be applied by Mortgagee (or the receiver, if one is appointed) in the following order unless otherwise required by applicable law:

(i) the payment of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same including, without limitation, receiver's fees and expenses, court costs, reasonable counsel fees and disbursements actually incurred and advertising costs and expenses, real estate taxes and assessments, except any taxes, assessments or other costs and charges incurred after the Mortgaged Property is sold;

(ii) the payment of all amounts (including interest), other than the unpaid balance of the Notes and accrued but unpaid interest, which may be due to Mortgagee under the Note Documents;

(iii) to the payment of the Indebtedness and the performance of the Obligations in such manner and order of preference as Mortgagee may determine; and

(iv) the balance, if any, to the payment of the persons legally entitled thereto.

4.8 Occupancy After Foreclosure. Any sale of the Mortgaged Property or any part thereof will divest all right, title and interest of Mortgagor in and to the property sold. Subject to applicable law, any purchaser at a foreclosure sale will receive immediate possession of the property purchased. If Mortgagor retains possession of such property or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser, and will, if Mortgagor remains in possession after demand to remove, be subject to eviction and removal, forcible or otherwise, with or without process of law.

4.9 Additional Advances and Disbursements; Costs of Enforcement. If any Event of Default exists, Mortgagee shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of the Issuer or the Mortgagor, as the case may be, in accordance with the Note Purchase Agreement. All sums advanced and expenses incurred at any time by Mortgagee or any Purchaser under this Section, or otherwise under this Mortgage or any of the other Note Documents or applicable law, shall bear interest from the date that such sum is advanced or expense incurred if not repaid within five (5) days after demand therefor, to and including the date of reimbursement, computed at the rate or rates at which interest is then computed on the Indebtedness, and all such sums, together with interest thereon, shall be secured by this Mortgage. Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection and enforcement of this Mortgage and the other Note Documents, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage and the other Note Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee or the Purchasers in respect thereof, by litigation or otherwise.

4.10 No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Section, the assignment of the Rents and Leases under Section 5, the security interests under Section 6, nor any other remedies afforded to Mortgagee or the Purchasers under the Note Documents, at law or in equity shall cause Mortgagee or any Purchaser to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee or any Purchaser to lease the Mortgaged Property or attempt to do so, or to take any action, incur

any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

SECTION 5. ASSIGNMENT OF RENTS AND LEASES

5.1 Assignment. Subject to the terms of the Note Purchase Agreement, and in furtherance of and in addition to the assignment made by Mortgagor herein, Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys to Mortgagee all of its right, title and interest in and to all Leases, whether now existing or hereafter entered into, and all of its right, title and interest in and to all Rents. This assignment is an absolute assignment and not an assignment for additional security only. So long as no Event of Default shall have occurred and be continuing, Mortgagor shall have a revocable license from Mortgagee to exercise all rights extended to the landlord under the Leases, including the right to receive, collect, retain, use and enjoy all Rents. The foregoing license is granted subject to the conditional limitation that no Event of Default shall have occurred and be continuing. Upon the occurrence and during the continuance of an Event of Default, whether or not legal proceedings have commenced, and without regard to waste, adequacy of security for the Obligations or solvency of Mortgagor, the license herein granted shall automatically expire and terminate, without notice by Mortgagee (any such notice being hereby expressly waived by Mortgagor).

5.2 Perfection Upon Recordation. Mortgagor acknowledges that Mortgagee has taken all reasonable actions necessary to obtain, and that upon recordation of this Mortgage Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected, first priority, present assignment of the Rents arising out of the Leases and all security for such Leases subject to the Permitted Liens and in the case of security deposits, rights of depositors and requirements of law. Mortgagor acknowledges and agrees that upon recordation of this Mortgage, Mortgagee's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Mortgagor and all third parties, including, without limitation, any subsequently appointed trustee in any case under Title 11 of the United States Code (the "Bankruptcy Code"), without the necessity of commencing a foreclosure action with respect to this Mortgage, making formal demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action.

5.3 Bankruptcy Provisions. Without limitation of the absolute nature of the assignment of the Rents hereunder, Mortgagor and Mortgagee agree that (a) this Mortgage shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Mortgage extends to property of Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents, and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy.

SECTION 6. SECURITY AGREEMENT

6.1 Security Interest. This Mortgage constitutes a "security agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds,

Proceeds, Insurance and Condemnation Awards. To this end, Mortgagor grants to Mortgagee a first and prior security interest in the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards and all other Mortgaged Property which is personal property to secure the payment of the Indebtedness and performance of the Obligations subject to the terms of the Note Purchase Agreement and, the Permitted Liens, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards sent to Mortgagor at least ten (10) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

6.2 Financing Statements. Mortgagor shall execute and deliver to Mortgagee, in form and substance reasonably satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor's chief executive office is at c/o Learning Care Group (US) No. 2 Inc., 21333 Haggerty Road, Suite 300, Novi, Michigan 48375.

6.3 Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

SECTION 7. ATTORNEY-IN-FACT

Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest and with full power of substitution, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Deposit Accounts, Fixtures, Personalty, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Mortgaged Property, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder; provided, (i) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor but shall provide notice to Issuer within a reasonable time period after taking any such action; (ii) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at the rate or rates at which interest is then computed on the Indebtedness provided that from the date incurred said advance is not

repaid within five (5) Business Days demand therefor; (iii) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (iv) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section.

SECTION 8. MORTGAGEE AS AGENT

Mortgagee has been appointed to act as Mortgagee hereunder by Purchasers. Mortgagee shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Mortgaged Property), solely in accordance with this Mortgage, the Note Purchase Agreement, and the Collateral Trust Agreement. In furtherance of the foregoing provisions of this Section, each Purchaser, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Mortgaged Property, it being understood and agreed by such Purchaser that all rights and remedies hereunder may be exercised solely by Mortgagee for the benefit of Purchasers in accordance with the terms of this Section. Mortgagee shall at all times be the same Person that is Collateral Trustee under the Collateral Trust Agreement. Written notice of resignation by Collateral Trustee pursuant to terms of the Collateral Trust Agreement shall also constitute notice of resignation as Mortgagee under this Mortgage; removal of Collateral Trustee pursuant to the terms of the Collateral Trust Agreement shall also constitute removal as Mortgagee under this Mortgage; and appointment of a successor Collateral Trustee pursuant to the terms of the Collateral Trust Agreement shall also constitute appointment of a successor Mortgagee under this Mortgage. Upon the acceptance of any appointment as Collateral Trustee under the terms of the Collateral Trust Agreement by a successor Collateral Trustee, that successor Collateral Trustee shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Mortgagee under this Mortgage, and the retiring or removed Mortgagee under this Mortgage shall promptly (i) transfer to such successor Mortgagee all sums, securities and other items of Mortgaged Property held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Mortgagee under this Mortgage, and (ii) execute and deliver to such successor Mortgagee such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Mortgagee of the security interests created hereunder, whereupon such retiring or removed Mortgagee shall be discharged from its duties and obligations under this Mortgage thereafter accruing. After any retiring or removed Collateral Trustee's resignation or removal hereunder as Mortgagee, the provisions of this Mortgage shall continue to enure to its benefit as to any actions taken or omitted to be taken by it under this Mortgage while it was Mortgagee hereunder.

SECTION 9. TERMINATION AND RELEASE.

Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor on the earlier to occur of the following: (a) upon request by Mortgagor or Issuer as contemplated by Section 12.15 of the Note Purchase Agreement; or (b) upon payment and performance in full of the Obligations, subject to and in accordance with the terms and provisions of the Note Purchase Agreement.

SECTION 10. INTENTIONALLY OMITTED.

SECTION 11. MULTI-SITE REAL ESTATE TRANSACTIONS.

Mortgagor acknowledges that this Mortgage is one of a number of Mortgages and other security documents ("Other Mortgages") that secure the Obligations. Mortgagor agrees that, subject to the terms of Section 9 hereof, the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Mortgagee, and without limiting the generality of the foregoing, the lien hereof shall not be impaired by any acceptance by Mortgagee of any security for or guarantees of the Obligations, or by any failure, neglect or omission on the part of Mortgagee to realize upon or protect any Obligation or any collateral security therefor including the Other Mortgages. Subject to the terms of Section 9 hereof, the lien of this Mortgage shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, changing, modification or disposition of any of the Obligations or of any of the collateral security therefor, including the Other Mortgages or any guarantee thereof, and, to the fullest extent permitted by applicable law, Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Mortgages without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Mortgages shall not in any manner impair the indebtedness hereby secured or the lien of this Mortgage and any exercise of the rights and remedies of Mortgagee hereunder shall not impair the lien of any of the Other Mortgages or any of Mortgagee's rights and remedies thereunder. To the fullest extent permitted by applicable law, Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Mortgages separately or concurrently and in any order that it may deem appropriate and waives any right of subrogation.

SECTION 12. MISCELLANEOUS

12.1 Notices. Any notice required or permitted to be given under this Mortgage shall be given in accordance with the notice provisions of the Note Purchase Agreement. No failure or delay on the part of Mortgagee or any Purchaser in the exercise of any power, right or privilege hereunder or under any other Note Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Mortgage and the other Note Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Mortgage shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of,

another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Mortgage shall be binding upon and inure to the benefit of Mortgagee and Mortgagor and their respective successors and assigns. Except as permitted in the Note Purchase Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder. As required by Section 12.15 of the Note Purchase Agreement or upon payment in full of the Indebtedness and performance in full of the Obligations, or upon prepayment of a portion of the Indebtedness equal to the Net Cash Proceeds for the Mortgaged Property in connection with a permitted Asset Sale, subject to and in accordance with the terms and provisions of the Note Purchase Agreement, Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor or, at the request of Mortgagor, assign this Mortgage without recourse.

12.2 Governing Law. THE PROVISIONS OF THIS MORTGAGE REGARDING THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS HEREIN GRANTED SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH THE MORTGAGED PROPERTY IS LOCATED. ALL OTHER PROVISIONS OF THIS MORTGAGE AND THE RIGHTS AND OBLIGATIONS OF MORTGAGOR AND MORTGAGEE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

12.3 Conflicts of Law. In the event of any conflict or inconsistency with the terms of this Mortgage and the terms of the Note Purchase Agreement, the Note Purchase Agreement shall control.

12.4 Time of Essence. Time is of the essence of this Mortgage.

12.5 WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS MORTGAGE. ANY SUCH DISPUTES SHALL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

12.6 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagee and Mortgagor and their respective successors and assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

12.7 No Waiver. Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Note Documents shall not be deemed to be a waiver of same, and Mortgagee shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.


12.8 Subrogation. To the extent proceeds of the Notes have been used to extinguish, extend or renew any indebtedness against the Mortgaged Property, then Mortgagee shall be subrogated to all of the rights, liens and interests existing against the Mortgaged Property and held by the holder of such indebtedness and such former rights, liens and interests, if any, are not waived, but are continued in full force and effect in favor of Mortgagee.

12.9 Waiver of Stay, Moratorium and Similar Rights. Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any appraisement, valuation, stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the indebtedness secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee.

12.10 Entire Agreement. This Mortgage and the other Note Documents embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Note Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

12.11 Counterparts. This Mortgage is being executed in several counterparts, all of which are identical. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

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Shelby Cnty Judge of Probate, AL
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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgment hereto, effective as of the date first above written, caused this instrument to be duly executed and delivered by authority duly given.

LA PETITE ACADEMY, INC.,
a Delaware corporation

By:  _____

Name: Ira L. Young

Title: Senior Vice President and Secretary

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Shelby Cnty Judge of Probate, AL
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STATE OF MICHIGAN)
)
COUNTY OF OAKLAND)

I, Judy A. Duncan, a Notary Public, in and for said County, in said State, hereby certify that Ira L. Young whose name as Senior Vice President and Secretary (title) of **La Petite Academy, Inc.**, a Delaware corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 13 day of May, 2010.

Judy A. Duncan
NOTARY PUBLIC

[Notarial Seal]

My Commission expires: 8-7-16

JUDY A. DUNCAN
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Aug 7, 2016
ACTING IN COUNTY OF OAKLAND

EXHIBIT A TO MORTGAGE

Legal Description of Premises:

A PARCEL OF LAND SITUATED IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 2 WEST, SHELBY COUNTY, ALABAMA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF LOT 12, BLOCK 5, APPLECROSS - A SUBDIVISION OF INVERNESS, BEING RECORDED IN MAP BOOK 6, PAGE 428, IN THE OFFICE OF THE JUDGE OF PROBATE, SHELBY COUNTY, ALABAMA; RUN IN A SOUTHEASTERLY DIRECTION BY DEFLECTING 114 DEGREES 58 MINUTES 49 SECONDS RIGHT FROM THE EAST LINE OF LOT 13 IN SAID SUBDIVISION FOR A DISTANCE OF 814.88 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; SAID POINT BEING ON THE NORTHWEST RIGHT OF WAY LINE OF VALLEYDALE ROAD; THENCE TURN AN ANGLE OF 85 DEGREES 07 MINUTES 11 SECONDS RIGHT AND RUN IN A SOUTHWESTERLY DIRECTION 194.98 FEET ALONG SAID RIGHT OF WAY LINE OF VALLEYDALE ROAD; THENCE TURN AN ANGLE OF 1 DEGREE 33 MINUTES 30 SECONDS RIGHT AND CONTINUE ALONG SAID RIGHT OF WAY IN A SOUTHWESTERLY DIRECTION FOR 79.27 FEET; THENCE TURN AN ANGLE OF 88 DEGREES 03 MINUTES 30 SECONDS RIGHT AND TURN NORTHWESTERLY 193.58 FEET; THENCE TURN AN ANGLE OF 81 DEGREES 34 MINUTES RIGHT AND TURN NORTHERLY 142.55 FEET; THENCE TURN 67 DEGREES 04 MINUTES RIGHT AND RUN IN A NORTHEASTERLY DIRECTION 255.88 FEET TO THE POINT OF BEGINNING; BEING SITUATED IN SHELBY COUNTY, ALABAMA.

AS FURTHER DESCRIBED ON THAT CERTAIN ALTA/ACSM SURVEY MADE BY ORCHARD ADVISORY LLC SURVEYORS, JOB NO. 32497, DATED NOVEMBER 14, 2007.

ALL THAT TRACT OR PARCEL OF LAND CONTAINING 1.00 ACRES MORE OR LESS SITUATED IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 2 WEST, SHELBY COUNTY, ALABAMA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT A A POINT AT THE NORTHEAST CORNER OF LOT 12, BLOCK 5, APPLECROSS - A SUBDIVISION OF INVERNESS, BEING RECORDED IN MAP BOOK 6, PAGE 426, IN THE OFFICE OF THE JUDGE OF PROBATE, SHELBY COUNTY, ALABAMA; THENCE RUN SOUTH 46°52'11" EAST, FOR A DISTANCE OF 814.88 FEET TO A POINT ON THE NORTHWEST RIGHT-OF-WAY MARGIN OF VALLEYDALE ROAD, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE RUN ALONG SAID NORTHWEST RIGHT-OF-WAY MARGIN OF VALLEYDALE ROAD, SOUTH 38°15'00" WEST, FOR A DISTANCE OF 194.98 FEET TO A POINT; THENCE RUN SOUTH 39°48'30" WEST, FOR A DISTANCE OF 79.27 FEET TO A POINT; THENCE LEAVING SAID NORTHWEST RIGHT-OF-WAY MARGIN OF VALLEYDALE ROAD, RUN NORTH 52°08'00" WEST, FOR A DISTANCE OF 193.58 FEET TO A POINT; THENCE RUN NORTH 29°26'00" EAST, FOR A DISTANCE OF 142.55 FEET TO A POINT; THENCE RUN SOUTH 83°30'00" EAST, FOR A DISTANCE OF 255.88 FEET TO A POINT ON SAID NORTHWEST RIGHT-OF-WAY MARGIN OF VALLEYDALE ROAD, SAID POINT BEING THE TRUE POINT OF BEGINNING.


LAND CONTAINING 43544.99 SQ. FT. AND 1.00 ACRES.

THE PROPERTY DESCRIBED AND SHOWN IS THE SAME PROPERTY AS DESCRIBED IN FIDELITY NATIONAL TITLE COMPANY COMMITMENT NUMBER 07-725108270-DN, DATED JULY 16, 2007. THIS SITE WAS FIELD SURVEYED ON NOVEMBER 14, 2007.

BEFORE THE ALABAMA DEPARTMENT OF REVENUE

In re:)
)
WILMINGTON TRUST FSB,)
as Collateral Trustee)
)
)
)
)
Petitioner.)

A Proceeding Authorized
by Section 40-22-2 (8),
Code of Alabama (1975)


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Shelby Cnty Judge of Probate, AL
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MORTGAGE TAX ORDER

Wilmington Trust FSB, as Collateral Trustee (the "**Petitioner**"), in its Petition for Ascertainment of Mortgage Tax dated April 26, 2010 (the "**Petition**"), has asked the Department of Revenue to fix and determine the amount of mortgage recording privilege tax due pursuant to Section 40-22-2(8), *Code of Alabama* (1975), as amended (the "**Code**"), for the privilege of recording that certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (the "**Mortgage**") from La Petite Academy, Inc., a Delaware corporation, to Petitioner, as collateral trustee for certain lenders and other secured parties, which secures indebtedness and other obligations of Mortgagor and certain of its affiliates (together, the "**Mortgagor**") to Petitioner and/or the said lenders and other secured parties (the "**Obligations**"). In addition to the real property, personal property and fixture collateral described in the Mortgage located within the State of Alabama, the Obligations are secured by mortgages, deeds of trust and/or other security instruments (collectively, the "**Security Documents**") on additional real property, fixtures and personal property located outside the State of Alabama.

Upon consideration of said Petition and evidence offered in support thereof, the Alabama Department of Revenue finds and determines as follows:

1. That the total maximum amount of the principal indebtedness of the Obligations secured by said Mortgage and the other Security Documents is \$200,000,000 in the aggregate, consisting of term and open-end or revolving loan facilities from the Petitioner to Mortgagor.
2. That the value of the real property, personal property and fixtures covered by the Mortgage and located within the State of Alabama is \$510,000, and that the total value of all of the real property, personal property and fixtures conveyed to secure the Obligations and covered by the Mortgage and the other Security Documents (and located within and outside the State of Alabama) is \$45,543,000.
3. That the total maximum amount of principal indebtedness of the Obligations to be secured by the Mortgage which is allocable to the State of Alabama and upon which mortgage

Return to:

Zonia N. Veal

First National Financial Title Services, Inc.

3237 Satellite Blvd, Bldg 300, Suite 450

Duluth, GA 30096

File No. 145794-D

privilege recording tax is due is \$2,200,000, being based on 1.1% of the total value of all real property, personal property and fixtures securing such Obligations.

4. That Alabama mortgage filing privilege tax in the amount of \$3,300.00 is due to be paid upon recordation of the Mortgage in the Office of the Judge of Probate of Shelby County, Alabama.

5. That no bond is required to be posted and no annual report is required to be filed pursuant to § 40-22-2(2), *Code of Alabama* (1975), as amended, and no additional mortgage recording privilege tax shall be payable if Petitioner pays mortgage recording privilege tax, at the time of recordation of the Mortgage, in the amount set forth in paragraph 4 above, unless and until the aggregate principal amount of the Obligations shall exceed \$200,000,000.

IT IS ORDERED, THEREFORE, as follows:

1. That the amount of the principal indebtedness under the Mortgage allocable to Alabama and upon which mortgage recording privilege tax will be due under § 40-22-2, *Code of Alabama* (1975), as amended, is \$2,200,000.

2. That the Judge of Probate of Shelby County, Alabama shall collect mortgage recording privilege tax in the amount of \$3,300.00, plus any recording and filing fees which may be due upon recordation of the Mortgage.

3. That no bond shall be required to be posted and no annual report shall be required to be filed pursuant to § 40-22-2(2), *Code of Alabama* (1975), as amended, and no additional mortgage recording privilege tax shall be payable unless and until the aggregate principal indebtedness of the Obligations secured by the Mortgage shall exceed \$200,000,000.

DONE at Montgomery, Alabama, this the 27th day of April, 2010.

Attest:

**STATE OF ALABAMA DEPARTMENT
OF REVENUE**

By: [Signature]
Secretary

By: [Signature]
Assistant Commissioner of Revenue

[Signature]
Legal Division



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