

~~RECORDING REQUESTED BY AND~~

~~WHEN RECORDED MAIL TO:~~

Prepared by:

Latham & Watkins LLP

885 Third Avenue, Suite 1000

New York, New York 10022-4802

Attn: Elizabeth Jaffe

20130418000158900 1/8 \$961.80  
Shelby Cnty Judge of Probate, AL  
04/18/2013 12:36:28 PM FILED/CERT

[SPACE ABOVE LINE FOR RECORDER'S USE ONLY]

**MODIFICATION OF MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF  
RENTS AND LEASES AND FIXTURE FILING**

This **MODIFICATION OF MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING** (this "**Modification Agreement**") is made as of April 2, 2013 by and between **LA PETITE ACADEMY, INC.**, a Delaware corporation, with an address at c/o Learning Care Group (US) No. 2 Inc., 21333 Haggerty Road, Suite 300, Novi, MI 48375 ("**Mortgagor**"), and **WILMINGTON TRUST, NATIONAL ASSOCIATION** (successor by merger to **Wilmington Trust FSB**) ("**Collateral Trustee**" or "**Mortgagee**"), with an address at Suite 1290, 50 South Sixth Street, Minneapolis, MN 55402, as collateral trustee for the benefit of the Lenders (as hereinafter defined). Capitalized terms used in this Modification Agreement shall have the meaning given to such term in the Original Mortgage (as hereinafter defined) unless otherwise defined in this Modification Agreement.

WITNESSETH:

**WHEREAS**, Learning Care Group (US) No. 2 Inc., a Delaware corporation ("**LCG**"), Learning Care Group, Inc., a Michigan corporation ("**LCG Group**"), La Petite Holdings, Inc., a Delaware corporation ("**La Petite**" and, together with LCG and LCG Group, the "**Borrowers**"), Learning Care Group (UC) Inc. ("**Holdings**"), certain subsidiaries of Borrowers, as Guarantors, the lenders from time to time party thereto (the "**Lenders**"), Barclays Bank PLC (f/k/a Barclays Capital, the investment banking division of Barclays Bank PLC), as Lead Arranger and Sole Bookrunner, and Barclays Bank PLC, as Administrative Agent (in such capacity, together with its successors and assigns, the "**Administrative Agent**") and as Collateral Agent (in such capacity, together with its successors and assigns, the "**Collateral Agent**"), are parties to that certain Amended and Restated Credit and Guarantee Agreement, dated as of as of April 27, 2010 (as amended by the First Amendment dated as of September 28, 2012, the Second Amendment dated as of October 19, 2012 and the Third Amendment dated as of December 27, 2012, which amended and restated that certain Credit Agreement dated as of June 25, 2008, as amended by the First Amendment to Credit Agreement dated as of October 1, 2008, the "**Existing Credit Agreement**");

Mortgage Modification, Property #0026, Birmingham, AL (Shelby County)

NY5732472.2

Return to:  
Zonia N. Veal  
First National Financial Title Services, Inc.  
3237 Satellite Blvd, Bldg 300, Suite 450  
Duluth, GA 30096  
File No. H8045-K



**WHEREAS**, in order to secure its obligations under the Existing Credit Agreement, Mortgagor executed and delivered to Collateral Agent that certain Mortgage, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of November 20, 2008 (the “**Original Mortgage**”), which covers all of Mortgagor’s right, title and interest in and to certain land, buildings and improvements, and collateral as more particularly described therein affecting or relating to the real property more particularly described on **Exhibit “A”** attached thereto;

**WHEREAS**, the Original Mortgage was recorded on January 13, 2009, as Instrument No. 20090113000011250 in the Office of the Judge of Probate in Shelby County, Alabama;

**WHEREAS**, pursuant to that certain Note Purchase and Guarantee Agreement, dated as of April 27, 2010, (as amended by the Amendment to the Note Purchase and Guarantee Agreement, dated as of September 28, 2012, the Second Amendment to the Note Purchase and Guarantee Agreement, dated as of October 19, 2012, the Third Amendment to the Note Purchase and Guarantee Agreement, dated as of December 27, 2012, the Fourth Amendment to the Note Purchase and Guarantee Agreement, dated as of February 1, 2013 and as otherwise amended prior to the date hereof, the “**Note Purchase Agreement**”), Borrowers issued 12% senior secured notes in an aggregate principal amount of \$200,000,000 (the “**Notes**”);

**WHEREAS**, in connection with the issuance of the Notes, Borrowers and the Guarantors secured the obligations under the Existing Credit Agreement, the Notes, the Note Purchase Agreement and certain other obligations on a first priority basis, subject to Permitted Liens (as defined in the Original CTA, defined below), with Liens (as defined in the Original CTA) on all current and future Collateral (as defined in the Original CTA), and pursuant to the Collateral Trust Agreement, dated as of April 27, 2010 (the “**Original CTA**”), and each Secured Party (as defined in the Original CTA) appointed the Collateral Trustee to act as the collateral trustee for the current and future holders of the Priority Lien Obligations (as defined in the Original CTA).

**WHEREAS**, in furtherance of the transactions contemplated in the Original CTA, Collateral Agent assigned all of its right, title and interest in the Original Mortgage to Mortgagee pursuant to that certain Notice of Resignation of Agent, Appointment of Successor Agent and Assignment of Mortgage by and between Barclays Bank PLC, as Assignor and Resigning Agent, and Mortgagee, as Assignee and Successor Agent, effective and dated as of April 27, 2010 and recorded as Instrument No. 20100505000139490;

**WHEREAS**, on February 1, 2013, Borrowers, Holdings, Guarantors, the Lenders and Administrative Agent entered into that certain Fourth Amendment and Waiver Agreement (the “**Fourth Amendment**”), pursuant to which the parties agreed to amend and restate the Existing Credit Agreement by entering into that certain Second Amended and Restated Credit and Guarantee Agreement (the Existing Credit Agreement as so amended and restated, the “**Amended Credit Agreement**”) to, inter alia, (i) extend to the Borrower certain revolving credit facilities in an aggregate amount not to exceed \$36,000,000 (collectively, the “**Revolving Loans**”), consisting of (a) a 2013 Revolving Credit Facility (as defined in the Amended Credit Agreement) with an aggregate stated amount of \$2,000,000 which will be available for revolving



loans and the issuance of letters of credit and (b) a 2014 Revolving Credit Facility (as defined in the Amended Credit Agreement) with an aggregate stated amount of \$34,000,000 which will be available for revolving loans and the issuance of letters of credit; and (ii) make certain other changes as more fully set forth therein;

**WHEREAS**, in consideration of the foregoing amendments to the Existing Credit Agreement, the parties amended and restated the Original CTA pursuant to that certain Amended and Restated Collateral Trust Agreement, dated as of February 1, 2013 (as amended, supplemented, amended and restated or otherwise modified from time to time the “**Collateral Trust Agreement**”), to provide, among other things, that, subject to the terms of the Collateral Trust Agreement, the obligations under the Amended Credit Agreement and certain other Indebtedness (as defined in the Collateral Trust Agreement) will be First Lien Obligations (as defined in the Collateral Trust Agreement) secured on a first priority basis with Liens on all current and future Collateral and the obligations under the Notes and the Note Purchase Agreement will be Second Lien Obligations (as defined in the Collateral Trust Agreement) secured on a second priority basis with Liens on all current and future Collateral, in each case, subject to Permitted Liens.

**WHEREAS**, Mortgagor and Mortgagee desire to modify the Original Mortgage pursuant to the terms of this Modification Agreement to give notice that the Original Mortgage, as modified hereby (the “**Mortgage**”), secures, among other things, all of Mortgagor’s obligations under the Amended Credit Agreement and the other Loan Documents (as defined in the Amended Credit Agreement), that such obligations are First Lien Obligations secured on a first priority basis, and to confirm that the Original Mortgage remains in full force and effect, as modified by this Modification Agreement.

NOW, THEREFORE, in consideration of the foregoing and the payment of Ten Dollars (\$10.00) and other good and valuable consideration the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree and give notice as follows:

1. All of the foregoing recitals are acknowledged by Mortgagor as being true and correct and shall be deemed incorporated by reference herein. Mortgagor hereby acknowledges and agrees that the Original Mortgage, as modified hereby, secures, among other things, Mortgagor’s obligations under the Amended Credit Agreement, as set forth in paragraph 2 below, and that such obligations are First Lien Obligations.

2. From and after the date hereof, all references in the Original Mortgage to the “Credit Agreement” shall mean the Amended Credit Agreement. From and after the date hereof, all references in the Original Mortgage to the “Loans” shall mean the Loans as described in the Amended Credit Agreement. From and after the date hereof, all references in the Original Mortgage to the “Obligations” shall include the Revolving Loans.

3. The Mortgage cannot be further altered, amended, modified, terminated, waived, released or discharged except in a writing signed by the parties hereto or their respective successors or assigns. To the fullest extent permitted by applicable law, any future amendment or modification of the Loan Documents may or may not be recorded; all holders of any interest or claim that affects all or any portion of the Mortgaged Property (as defined in the Mortgage) or



any estate or interest therein, which interest or claim is recorded after the date the Mortgage was originally recorded or that is otherwise or is intended to be junior and subordinate to the lien of the Mortgage (collectively, "**Junior Lien Claimants**"), are hereby placed on notice of the possibility that the Loan Documents or the obligations that the Mortgage secures may be amended but any such amendment may or may not be placed of record; any such amendment shall be fully effective whether or not recorded, without thereby impairing or reducing the priority of the lien of the Mortgage or constituting a novation; Junior Lien Claimants should not assume they will be notified of any amendment of the Loan Documents or of any of Mortgagor's Obligations that occur before or after the recording of their lien; and by accepting their interest in the Mortgaged Property, Junior Lien Claimants shall be deemed to acknowledge and consent to the foregoing.

4. As modified herein, the terms of the Original Mortgage shall continue in full force and effect. Notwithstanding anything to the contrary contained in this Modification Agreement, if at any time it is determined that the lien, validity or security of the Mortgage is impaired or subordinated as a result of the modifications contemplated hereby (the "**Modifications**"), then the Original Mortgage shall be construed as if such Modifications had never taken place and the original terms of the Mortgage as unmodified hereby shall continue in full force and effect and Mortgagee shall maintain all legal or equitable priorities which were in existence before the date of execution of this Modification Agreement. It is understood by and is the intention of the parties hereto that any legal or equitable priorities of Mortgagee over any party which were in existence before the date of execution of this Modification Agreement shall remain in effect after the execution of this Modification Agreement. Neither this Modification Agreement nor the transactions pursuant to the Amended Credit Agreement shall be deemed to constitute a novation or to extinguish any of the obligations secured by the Original Mortgage.

5. Mortgagor hereby represents and warrants to Mortgagee that the execution, delivery and performance by such Mortgagor of this Modification Agreement: (a) are duly authorized and do not require the consent or approval of any other party or governmental authority which has not been obtained; and (b) will not violate any law or result in the imposition of any lien, charge or encumbrance upon the assets of any such party, except as contemplated by this Modification Agreement or any of the other Loan Documents. This Modification Agreement constitutes the legal, valid and binding obligations of Mortgagor, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws generally affecting the enforcement of creditors' rights.

6. THE PROVISIONS OF THIS MODIFICATION AGREEMENT REGARDING THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS HEREIN, IF ANY, SHALL BE CONSTRUED, INTERPRETED AND GOVERNED BY THE LAWS OF THE STATE IN WHICH THE MORTGAGED PROPERTY IS LOCATED. ALL OTHER PROVISIONS OF THIS MODIFICATION AGREEMENT 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.

7. This Modification Agreement may be executed in any number of counterparts, and all such counterparts shall together constitute the same agreement.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have executed this Modification Agreement as of the day and year first above written:

LA PETITE ACADEMY, INC., as Mortgagor

By: [Signature]  
Name: Ira L. Young  
Title: Sr. V.P., Secretary &  
General Counsel

STATE OF Michigan )

)

COUNTY OF Oakland )

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Ira Young whose name as SVP/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 28 day of March, 2013.

Carol J. Brady


NOTARY PUBLIC

[Notarial Seal]

CAROL J. BRADY  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Jan 17, 2015  
ACTING IN COUNTY OF OAKLAND

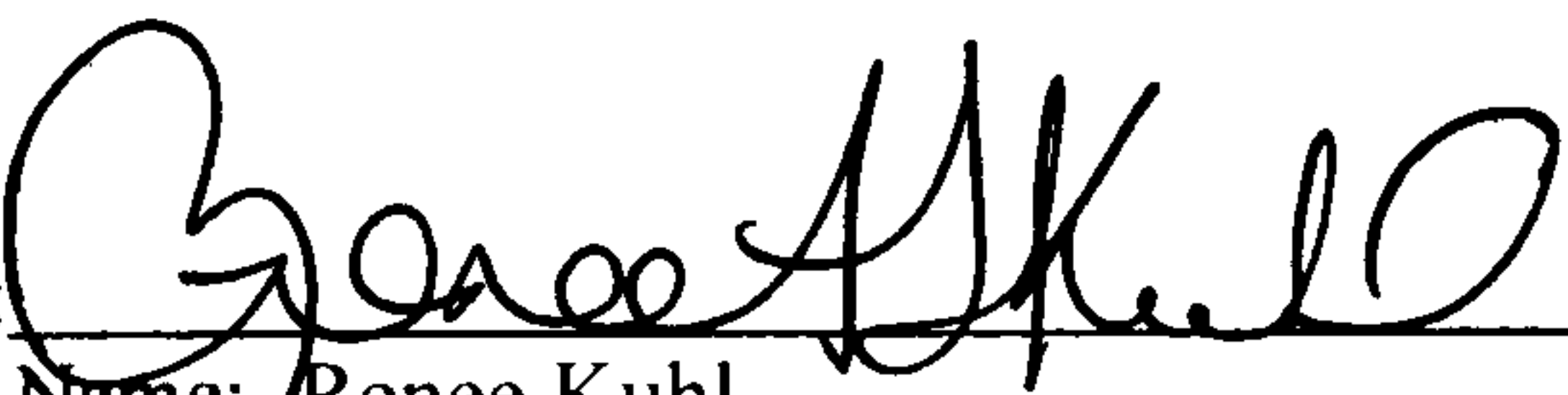
My Commission expires: 1-17-15

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Shelby Cnty Judge of Probate, AL  
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IN WITNESS WHEREOF, the parties hereto have executed this Modification Agreement as of the day and year first above written:

**WILMINGTON TRUST, NATIONAL  
ASSOCIATION** (as successor by merger to  
Wilmington Trust FSB),  
as Collateral Trustee and Mortgagee

By:   
Name: Renee Kuhl  
Title: Vice President

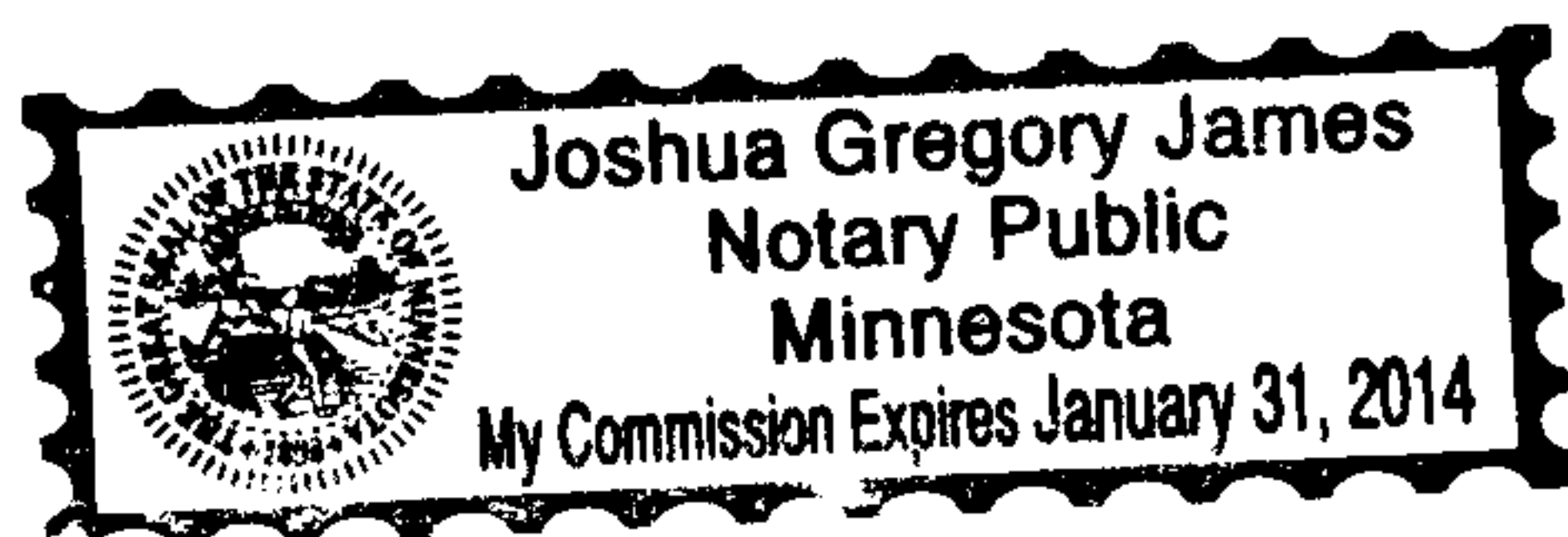
STATE OF Minnesota )

)


COUNTY OF Hennepin )

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Renee Kuhl whose name as Vice President (title) of **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national association, 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 national association.

Given under my hand this the 29<sup>th</sup> day of March, 2013.




[Notarial Seal]

  
NOTARY PUBLIC

My Commission expires: 1-31-2014

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Shelby Cnty Judge of Probate, AL  
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## Exhibit A

### Legal Description

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, APPECROSS - A SUBDIVISION OF INVERNESS, BEING RECORDED IN MAP BOOK 6, PAGE 42B, 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, APPECROSS - A SUBDIVISION OF INVERNESS, BEING RECORDED IN MAP BOOK 6, PAGE 42B, 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.

  
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