

PREPARED BY:

~~AND WHEN RECORDED TO:~~

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attn: Michael Baum

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

This **FIRST 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, Michigan 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, Minnesota 55402, as collateral trustee for the benefit of the holders of the Notes (as hereinafter defined) from time to time.

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 "**Issuers**"),

Return to:
Zonia N. Veal
First National Financial Title Services, Inc.
3237 Satellite Blvd, Bldg 300, Suite 450
Duluth, GA 30096
File No. 118045 K

Learning Care Group (US) Inc. (“**Holdings**”), and certain subsidiaries of the Issuers (including Mortgagor), as Guarantors, the note holders from time to time party thereto (the “**Holders**”), and TCW/Crescent Mezzanine Partners VI, L.P., a Delaware limited partnership, as representative of the Holders (in such capacity, “**Senior Notes Representative**”) are parties to that certain Note Purchase and Guarantee Agreement, dated 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, the “**Original Note Purchase Agreement**”), pursuant to which the Issuers issued 12% senior secured notes in an aggregate principal amount of \$200,000,000 (the “**Notes**”);

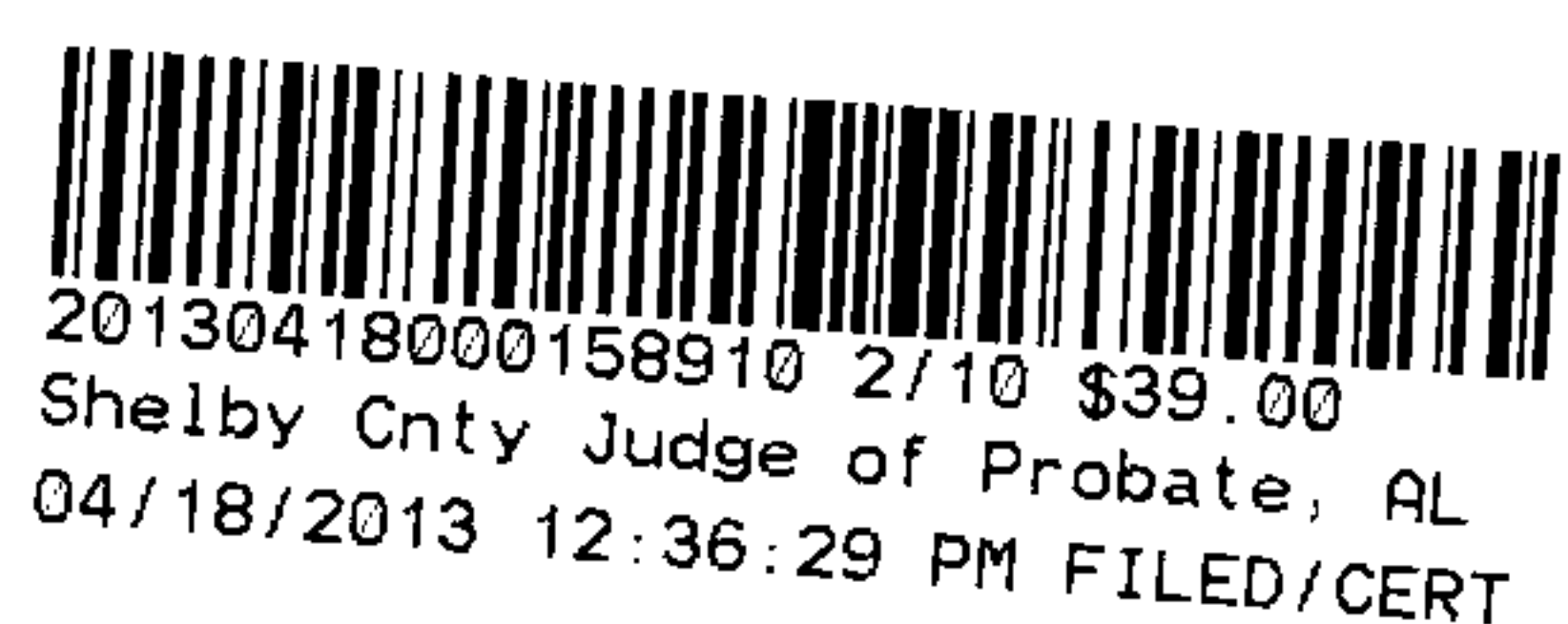
WHEREAS, in order to secure the obligations under the Notes and the Note Purchase Agreement, Mortgagor executed and delivered to Collateral Trustee that certain Mortgage, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of May 13, 2010 (the “**Original Mortgage**”), which 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 hereto;

WHEREAS, the Original Mortgage was recorded on May 25, 2010, as Instrument Number 20100525000166390, in the Office of the Judge of Probate in Shelby County, Alabama;

WHEREAS, pursuant to that certain Amended and Restated Credit and Guarantee Agreement dated 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 “**Original Credit Agreement**”), the Issuers and certain of their subsidiaries (including Mortgagor) obtained certain revolving credit facilities and other extensions of credit in an aggregate amount not to exceed \$36,000,000 (the “**Senior Loan**”);

WHEREAS, in connection with the issuance of the Notes, Borrowers and the Guarantors secured the obligations under the Original Credit Agreement and under the Notes and the Original Note Purchase Agreement, and certain other obligations, all 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, on February 1, 2013, (i) Issuers, Holdings, the Holders and Senior Notes Representative entered into that certain Fourth Amendment to the Original Note Purchase Agreement (the “**Fourth NPA Amendment**” and, the Original Note Purchase Agreement as amended thereby, the “**Amended Note Purchase Agreement**”), and (ii) the Original Credit Agreement was amended and restated pursuant to that certain Second Amended and Restated Credit and Guarantee Agreement (the “**Amended Credit Agreement**”);



WHEREAS, in consideration of the amendments set forth in the Fourth NPA Amendment and the Amended 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 Note Purchase Agreement, that such obligations are and shall remain Second Lien Obligations secured on a second priority basis to the Lien of the Senior Mortgage (as defined below) in accordance with the terms of the Collateral Trust Agreement, and to confirm that the Original Mortgage otherwise 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. Capitalized terms used in this Modification Agreement and not otherwise defined have the meanings given in the Amended Note Purchase Agreement.

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 Note Purchase Agreement, and that such obligations are Second Lien Obligations.

2. From and after the date hereof, all references in the Original Mortgage to the “Note Purchase Agreement” shall mean the Amended Note Purchase Agreement. From and after the date hereof, all references in the Original Mortgage to the “Notes” shall mean the Notes as described in the Amended Note Purchase Agreement.

3. Section 1.3 of the Original Mortgage is hereby deleted in its entirety and replaced with the following language:

“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 Loan and the Note Purchase Agreement, or the terms of the Agreement Regarding Deed of Trust Priority previously entered into among the Senior Loan Agent, the Senior Notes Representative and the Collateral Trustee, 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 circumstances whatsoever, from and after the date hereof the Lien of this Mortgage shall be subject and subordinate in all respects to the Lien granted on the Mortgaged Property pursuant to that certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated November 20, 2008 and recorded on January 13, 2009, as Instrument Number 20090113000011250, in the Office of the Judge of Probate in Shelby County, Alabama (the “**Senior Mortgage**”) securing obligations under the Senior Loan, as set forth more particularly in the Collateral Trust Agreement.

4. 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 Note 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 Note 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 Note 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.

5. 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 in any manner other than as expressly contemplated in Section 3 of this Modification and new Section 1.3 of the Mortgage (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 Note Purchase Agreement shall be deemed to constitute a novation or to extinguish any of the obligations secured by the Original Mortgage. Nothing in this Section 5 shall be construed or operate to reverse, restrict or impair the subordination of the Mortgage to the Senior Mortgage under Section 3 of this Modification and new Section 1.3 of the Mortgage.

6. Mortgagor hereby represents and warrants to Mortgagee that the execution, delivery and performance by such Mortgagor of this Modification Agreement: (a) are



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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 Note 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.

7. THIS MODIFICATION AGREEMENT 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.

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

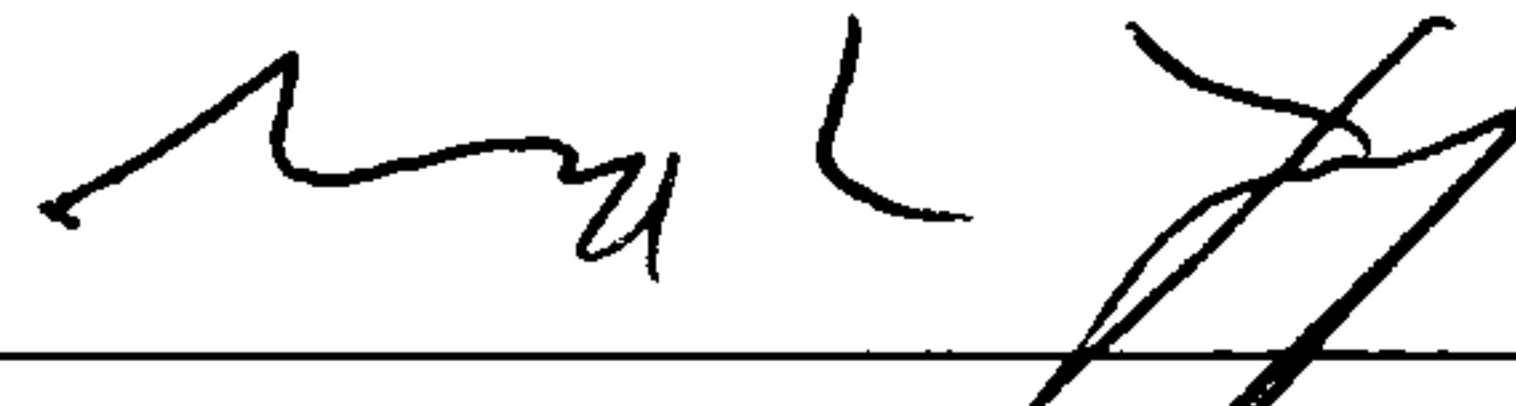
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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgment hereto, effective as of the date first above written, caused this instrument to be duly executed and delivered by authority duly given.

LA PETITE ACADEMY, INC.,
a Delaware corporation,
as Mortgagor

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

First Modification of Mortgage (5198 Valleydale Road, Birmingham, 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 Sr VP, 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 Mar, 2013.

Judy A. Duncan
NOTARY PUBLIC

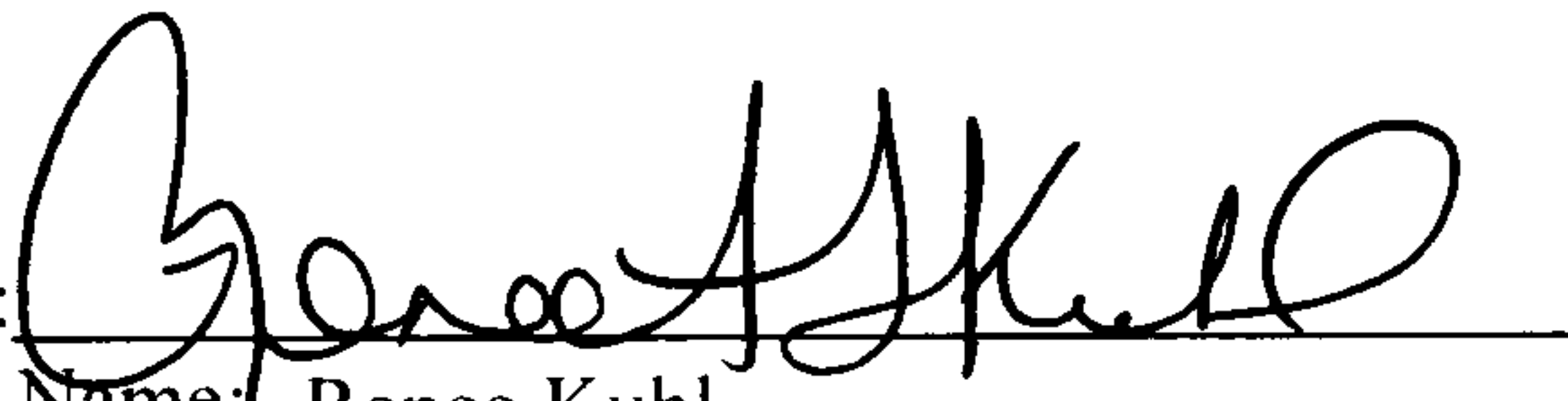
[Notarial Seal]


My Commission expires: 8-7-2016

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

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

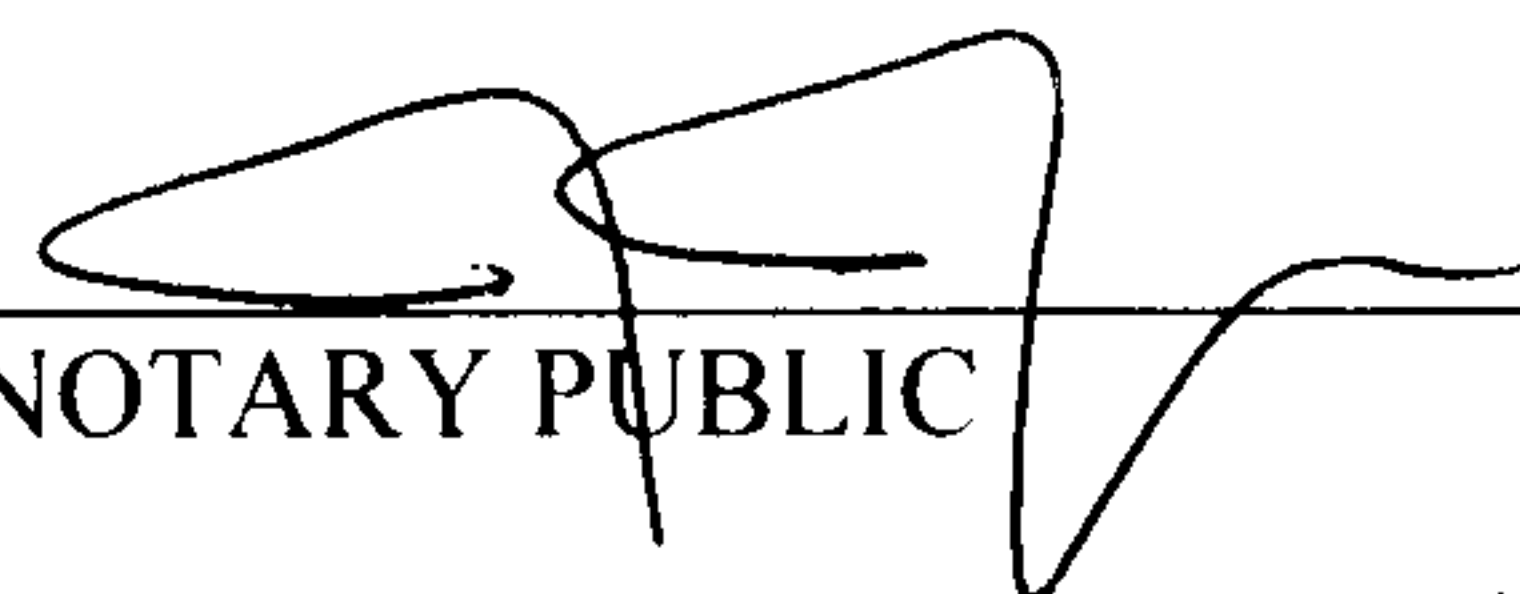

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STATE OF Minnesota)

COUNTY OF Hennepin)

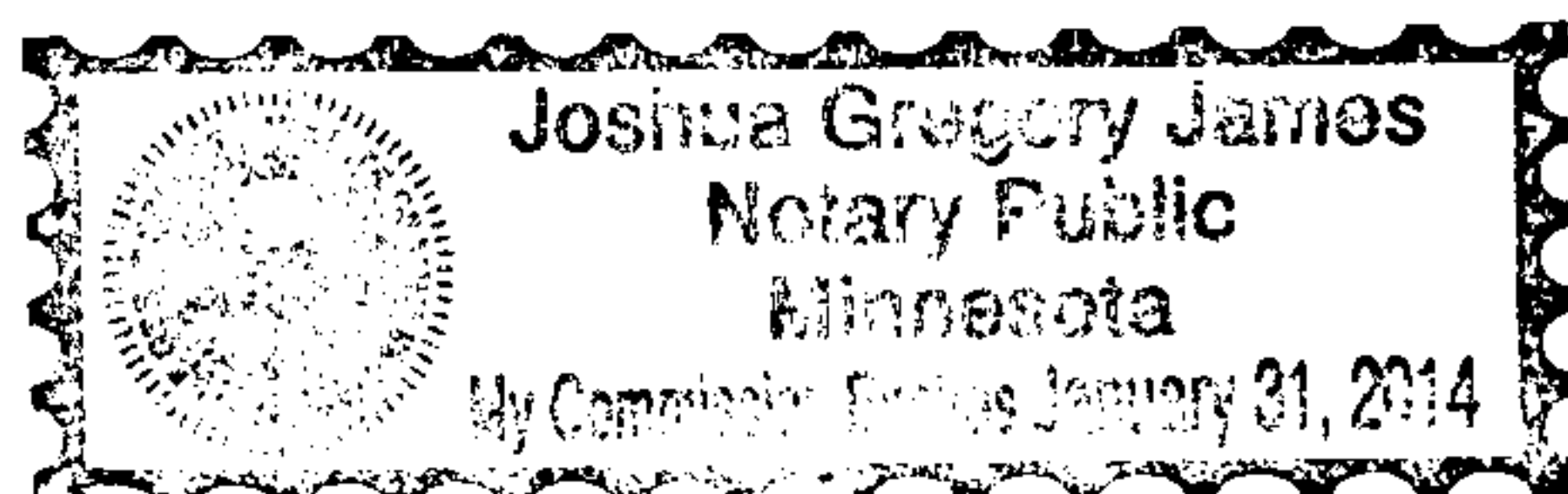
I, Joshua G. James a Notary Public in and for said County, in said State, hereby certify that Renee Kuhl whose name as Vice President (title) of **Wilmington Trust, National Association**, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed 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 29th day of March, 2013


NOTARY PUBLIC

[Notarial Seal]

My Commission expires: 1-31-2014





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EXHIBIT A

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.



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