

Plan No. N709A
Montevina Phase I

CHICAGO TITLE COMPANY
hereby certifies that the within instrument is a
true and correct copy of the original instrument
recorded in the office of the recorder of the
County of Alameda, State of California,
on 10/4/2012
Recorder's Serial No. 2012-328068

CHICAGO TITLE COMPANY
BY Allison Perera

PARTIAL RECONVEYANCE AND DEED OF TRUST MODIFICATION AGREEMENT

BETWEEN

MONTEVINA PHASE I, LLC, AS TRUSTOR

AND

NRFC WA HOLDINGS II, LLC,

AS TRUSTEE AND BENEFICIARY

Dated: As of October 4, 2012

This document was prepared by
and when recorded return to:

Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
Attention: Victoria Manthas, Esq.
(80-40374646)

PARTIAL RECONVEYANCE AND DEED OF TRUST MODIFICATION AGREEMENT

THIS PARTIAL RECONVEYANCE AND DEED OF TRUST MODIFICATION AGREEMENT (this "Agreement") is made as of October __, 2012, between MONTEVINA PHASE I, LLC, a Delaware limited liability company, having an address at c/o Westhoff, Cone & Holmstedt, 500 Ygnacio Valley Road, Suite 380, Walnut Creek, California 94596 ("Trustor"), NRFC WA HOLDINGS II, LLC, a Delaware limited liability company, having an address for notice purposes at 433 East Las Colinas Blvd., Suite 100, Irving, Texas 75039, in its capacity as trustee ("Trustee"), and NRFC WA HOLDINGS II, LLC, a Delaware limited liability company, having an address for notice purposes at 433 East Las Colinas Blvd., Suite 100, Irving, Texas 75039, in its capacity as beneficiary ("Beneficiary").

WITNESSETH

WHEREAS, Beneficiary is the present owner and holder of (i) that certain deed of trust more particularly described in SCHEDULE B annexed hereto (the "Deed of Trust") which encumbers the fee interest of Trustor in the premises described therein (the "Premises"), which Deed of Trust secures, among other things, the performance and observance of all the terms, covenants and conditions contained in that certain Amended and Restated Secured Promissory Note of even date herewith made by Borrower in favor of Lender (as the same may be modified, amended, supplemented, amended and restated, extended or consolidated in writing, and note(s) issued in exchange therefor or replacement thereof, the "Note") in the principal amount of \$500, and that certain Construction Loan Agreement between Trustor and Beneficiary dated as of March 15, 2007, as amended by (i) that certain First Amendment to Construction Loan Agreement dated as of June 30, 2007, (ii) that certain Omnibus Amendment to Loan Documents (Montevina Phase I Mortgage Loan) dated as of October 8, 2009, (iii) that certain Second Omnibus Amendment to Loan Documents (Montevina Phase I Mortgage Loan) dated as of March 31, 2010, (iv) that certain Third Omnibus Amendment to Loan Documents (Montevina Phase I Mortgage Loan) dated as of January 27, 2012, and (v) that certain Fourth Omnibus Amendment to Loan Documents (Montevina Phase I Mortgage Loan) dated of even date herewith; and

WHEREAS, it has been agreed by and between Trustor and Beneficiary that the Deed of Trust be modified in the manner set forth below.

NOW, THEREFORE, in consideration of the mutual premises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Beneficiary hereby requests the release of the following described portion of the Premises (the "Released Parcels") from the Deed of Trust, and trustee, pursuant to the request of Beneficiary under the Deed of Trust and in accordance with the provisions of the Deed of Trust, does hereby reconvey, without warranty, to the person or persons legally entitled thereto, the following portion of the estate situated in the City of Livermore, County of Alameda, State of California, now held by it under the Deed of Trust:

Parcels 16 and 17, Parcel Map 9356, filed December 8, 2008, Book 310 of Maps, Page 79, Alameda County Records, APNs: 905-0018-024 and 905-0018-025, respectively.

Together with Non-Exclusive Reciprocal Easements for the purpose stated below appurtenant to the foregoing parcels as created in that certain Declaration of Covenants, Conditions and

Restrictions and Grant of Easements for Montevina Phase I Recorded December 17, 2008, as Instrument No. 2008-353660, Alameda County Official Records (The "Declaration") and upon the terms and conditions therein contained, as follows: Use of common driveways for vehicular and pedestrian ingress and egress to and from public streets such common driveways being located on the common area (said common area being described in section 1.10 of the Declaration) portions of the other owner's Lots as more particularly set forth in section 3.1.1 of the Declaration.

2. The Deed of Trust is hereby modified in the following respects:

(a) The first recital of the Deed of Trust is deleted in its entirety, and the following paragraph shall be substituted therefor:

"Borrower is indebted to Lender for money borrowed (the "Loan") in the outstanding principal sum of Five Hundred and No/100 Dollars (\$500.00) evidenced by a Construction Loan Agreement, of even date herewith by and between Borrower and Lender (as modified, amended, supplemented, amended and restated and assigned from time to time, the "Loan Agreement"). The Loan together with all accrued interest thereon, interest accrued at the Default Rate (if any), Late Charges (if any), the Prepayment Premium (if any), all other obligations and liabilities due or to become due to Lender pursuant to the Loan Documents, all other amounts, sums and expenses paid by or payable to Lender pursuant to the Loan Documents, and together with all covenants and obligations to be performed pursuant to the Loan Documents is referred to herein collectively as the "Indebtedness." Subject to the terms and rights contained in Section 2.4 of the Loan Agreement, the term "Secured Indebtedness" shall mean (subject to the termination provision contained in the Construction Loan Agreement) the Indebtedness plus all amounts owing to Lender for that certain loan to Montevina Phase II, LLC, a Delaware limited liability company ("Phase II Borrower") in the outstanding principal amount of \$15,000,000 evidenced by an Amended and Restated Secured Promissory Note dated as of October [4], 2012 made by Phase II Borrower and payable to the order of Lender and all other amounts owed by Phase II Borrower to Lender pursuant to any documents evidencing, governing, securing or otherwise pertaining to such loan. The Note shall be due and payable in full on the Maturity Date. All of the terms and conditions of the Loan Documents are hereby due and payable in full on the Maturity Date. All of the terms and conditions of the Loan Documents are hereby incorporated by reference as though set forth at length herein. Capitalized terms used herein and not otherwise defined shall have those meanings given to them in the Loan Agreement, or the other Loan Documents as applicable. Reference is made to the Loan Agreement for a listing of most definitions used here."

(b) Exhibit A to the Deed of Trust is hereby deleted in its entirety and SCHEDULE A attached to this Agreement shall be substituted therefor.

(c) The following text shall be added to Section 1.1 of the Deed of Trust, as new clause (k) at the end thereof:

"(k) to deliver to lender, promptly upon receipt thereof, copies of any and all demands, claims, notices and reports received by Borrower relating to the Leases, the lessees and sublessees thereunder or otherwise relating to the Premises."

(d) Section 2.1(c) of the Deed of Trust shall be deleted in its entirety, and the following text shall be substituted therefor:

"cause the Premises to be used for any purpose other than as an "educational facility" as defined in the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California), or cause or permit any change to be made in such use of the Premises without Lender's prior written consent."

- (d) All references in the Deed of Trust to the term "Leases" shall be deemed to include, without limitation, the Site Lease and the Sublease (each as hereinafter defined).
 - (e) Section 7.5(b) of the Deed of Trust is amended by deleting the words "of default" from the second line thereof.
 - (f) Section 7.6(a) of the Deed of Trust shall be deleted in its entirety and replaced with the following text: "Borrower shall not enter into any Lease or extend, renew, amend, modify or terminate any Lease without first obtaining Lender's written consent."
 - (g) For purposes of Section 8.31(a) of the Deed of Trust, Borrower's mailing address is as set forth in the introductory paragraph of this Agreement.
3. Lender acknowledges that simultaneously herewith: (i) all of the equity interest in Borrower will be transferred to Mark A. Holmstedt and Anthony E. Cone (collectively, "New Guarantors"), (ii) Trustor will transfer the Released Parcels to Phase II Senior Borrower, (iii) Trustor will lease the Premises to the California School Finance Authority (the "Authority") pursuant to that certain Site Lease dated as of October 1, 2012 (the "Site Lease") between the Trustor, as lessor, and the Authority, as lessee, (iv) the Authority will then immediately sublease the Premises to Livermore Valley Charter School and Livermore Valley Charter Preparatory High School, both operated as Tri-Valley Learning Corporation ("TVLC") pursuant to that certain Sublease dated as of October 1, 2012 (the "Sublease") between the Authority, as sublessor, and TVLC, as sublessee, and (v) in connection therewith, Borrower will deliver a first priority fee deed of trust encumbering the Premises in favor of The Bank of New York Mellon Trust Company, N.A. (collectively, the "Subject Transactions"). Subject to the terms and the satisfaction of the conditions contained in that certain Consent and Release Agreement dated of even date herewith among Trustor, Lender, the Phase II Senior Borrower, New Guarantors and Michael G. Parker, Lender consents to the Subject Transactions and agrees that, notwithstanding anything to the contrary contained in Article III of the Deed of Trust, same shall not constitute an Event of Default under the Loan Documents.
4. Trustor hereby reaffirms to Beneficiary each of the representations, warranties, covenants and agreements of Trustor set forth in the Deed of Trust, with the same force and effect as if each were separately stated herein and made as of the date hereof.
5. Trustor hereby ratifies, reaffirms and acknowledges, and agrees that the Deed of Trust and the other Loan Documents represent valid, enforceable and collectible obligations of Trustor, and that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to any of these documents or instruments.
6. Except as modified hereby, the Deed of Trust shall remain unchanged and in full force and effect.
7. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

8. If any court of competent jurisdiction determines any provision of this Agreement to be invalid, illegal or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal or unenforceable portion had never been a part of the Agreement.
9. This Agreement shall be governed by the laws of the State of California.
10. Reference is hereby made to that certain Subordination Agreement dated as of October 1, 2012 and relating to the Premises among Trustor, Beneficiary, TVLC and the Bank of New York Mellon Trust Company, N.A., as trustee, for the benefit of the owners of the California School Finance Authority Educational Facilities Revenue Bonds (Tri-Valley Learning Corporation) Series 2012A (the "Subordination Agreement"). In the event of a conflict between the terms and provisions of the Deed of Trust and the terms and provisions of the Subordination Agreement, the terms and provisions of the Subordination Agreement shall control and govern.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Trustor, Trustee and Beneficiary have executed this Agreement as of the date first above written.

TRUSTOR:

MONTEVINA PHASE I, LLC,
a Delaware limited liability company

By: 

Mark A. Holmstedt
Managing Member

TRUSTEE:

NRFC WA HOLDINGS II, LLC,
a Delaware limited liability company

By: _____

Name:

Title:

BENEFICIARY:

NRFC WA HOLDINGS II, LLC,
a Delaware limited liability company

By: _____

Name:

Title:

ALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On October 2, 2012 before me, Lauren Sommerhauser, Notary Public, personally appeared Mark A. Holmstedt,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Lauren Sommerhauser

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

Signer's Name: _____

- Individual
- Corporate Officer

Title(s) _____

Title or Type of Document _____

- Partner(s) Limited General

Number Of Pages _____

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Date Of Document _____

Signer is representing
Name Of Person(s) Or Entity(ies) _____

Signer(s) Other Than Named Above _____

IN WITNESS WHEREOF, Trustor, Trustee and Beneficiary have executed this Agreement as of the date first above written.


TRUSTOR:

MONTEVINA PHASE I, LLC,
a Delaware limited liability company

By: _____
Name:
Title:


TRUSTEE:

NRFC WA HOLDINGS II, LLC,
a Delaware limited liability company

By: 
Name: **Daniel R. Gilbert**
Title: **Co-President &
Chief Investment Officer**

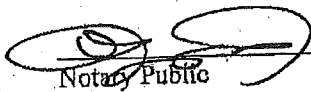
BENEFICIARY:

NRFC WA HOLDINGS II, LLC,
a Delaware limited liability company

By: 
Name: **Daniel R. Gilbert**
Title: **Co-President &
Chief Investment Officer**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 1 day of October in the year 2012 before me, the undersigned, personally appeared Daniel P. Gilbert, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

DANA JENELLE DUPREY
Notary Public, State of New York
No. 01DU6220822
Qualified in New York County
Commission Expires 4/19/2014

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 4 day of October in the year 2012 before me, the undersigned, personally appeared Daniel R. Gilbert, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

DANA JENELLE DUPREY
Notary Public, State of New York
No. 01DU6220822
Qualified in New York County
Commission Expires 4/19/2014

SCHEDULE A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LIVERMORE,
COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcels 1, 2, 3, 4, 5, 7, 8, 9, 10, 12, 14 and 15, Parcel Map 9356, filed December 8, 2008, Book 310 of
Maps, Page 79, Alameda County Records.

APNs: 905-0018-010 (Parcel 1)
905-0018-011 (Parcel 2)
905-0018-012 (Parcel 3)
905-0018-013 (Parcel 4)
905-0018-014 (Parcel 5)
905-0018-016 (Parcel 7)
905-0018-017 (Parcel 8)
905-0018-018 (Parcel 9)
905-0018-019 (Parcel 10)
905-0018-021 (Parcel 12)
905-0018-022 (Parcel 14)
905-0018-023 (Parcel 15)

SCHEDULE B

DEED OF TRUST

DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING from MONTEVINA PHASE I, LLC, a Delaware limited liability company, as Trustor, to STEWART TITLE GUARANTY COMPANY, as Trustee, for the benefit of NRFC WA HOLDINGS II, a Delaware limited liability company, dated March 15, 2007 and recorded on March 16, 2007 in the records of Alameda County, California, as instrument #2007108634, as amended by (i) that certain Modification Agreement dated as of October 8, 2009 and recorded on October 21, 2009 in the records of Alameda County, California, as instrument #2009336816, (ii) that certain Modification Agreement dated as of January 27, 2012 and recorded on February 2, 2012 in the records of Alameda County, California, as instrument #2012039904 (and as amended by this Agreement and as assigned to date, and as same may be further amended, modified, restated, supplemented or assigned from time to time).