

SEND TAX NOTICE TO:

KC PROPCO, LLC c/o Knowledge Learning Corporation 650 NE Holladay Street, Suite 1400 Portland, OR 97232-4301 Attn: Tax Department

This instrument was prepared by:

Andrew Kirsh, Esq.
Latham & Watkins LLP
633 West Fifth Street, Suite 4000
Los Angeles, CA 90071-2007

STATE OF ALABAMA)	
)	KNOW ALL MEN BY THESE PRESENTS,
COUNTY OF SHELBY)	

That in consideration of TWO MILLION THREE HUNDRED TWELVE THOUSAND FOUR HUNDRED SEVENTY ONE DOLLARS (\$2,312,471.00),

to the undersigned grantor, KinderCare Real Estate, LLC, a Delaware limited liability company, formerly known as KinderCare Real Estate Corp., a Delaware corporation ("Grantor"), in hand paid by KC PROPCO, LLC, a Delaware limited liability company,

the receipt of which is hereby acknowledged, the said Grantor, whose address is c/o Knowledge Learning Corporation, 650 NE Holladay Street, Suite 1400, Portland, OR 97232-4301, Attn: Legal (Real Estate)

does by these presents and conveys unto the said KC PROPCO, LLC, a Delaware limited liability company ("Grantee"), whose address is c/o Knowledge Learning Corporation, 650 NE Holladay Street, Suite 1400, Portland, OR 97232-4301, Attn: Legal (Real Estate), the following described real estate, situated in the County of Shelby, State of Alabama described as follows:

See Exhibit A attached hereto and fully incorporated herein by this reference.

SUBJECT TO: encumbrances, easements, restrictions, reservations, and covenants of record.

TO HAVE AND TO HOLD, To the said Grantee, its heirs and assigns forever.

And said Grantor does for itself, its successors and assigns, covenant with said heirs and assigns, that it is lawfully seized in fee simple of said premises, that it is free from all encumbrances made by Grantor and its successors and assigns, and shall warrant and defend the same to the said Grantee, its heirs, successors, executors and assigns forever, against the lawful claims of all parties claiming by, through, or under the Grantor, but no further or otherwise.

IN WITNESS WHEREOF, the said Grantor, by its Senior Vice President, General Counsel and Corporate Secretary, who is authorized to execute this conveyance, and has hereto set its signature and seal, as of this day of November, 2005.

By:

KinderCare Real Estate, LLC, a Delaware limited liability company

Eva M. Kripalani

Senior Vice President, General Counsel and

Corporate Secretary

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

20051121000606590 2/5 \$24.00 Shelby Cnty Judge of Probate, AL 11/21/2005 02:49:51PM FILED/CERT

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Eva M. Kripalani, whose name as Senior Vice President, General Counsel and Corporate Secretary of KinderCare Real Estate, LLC, a Delaware limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this

FAYE D. REIDELBACH

Commission # 1367313

Notary Public - California

Los Angeles County

My Comm. Expires Jul 29, 2006

day of November, 2005.

(SEAL)

Notary Public

My Commission Expires:

7-29-06

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PECIAL WARRANTY DE

STATE OF ALABAMA COUNTY OF SHELBY Office of the Judge of Prob

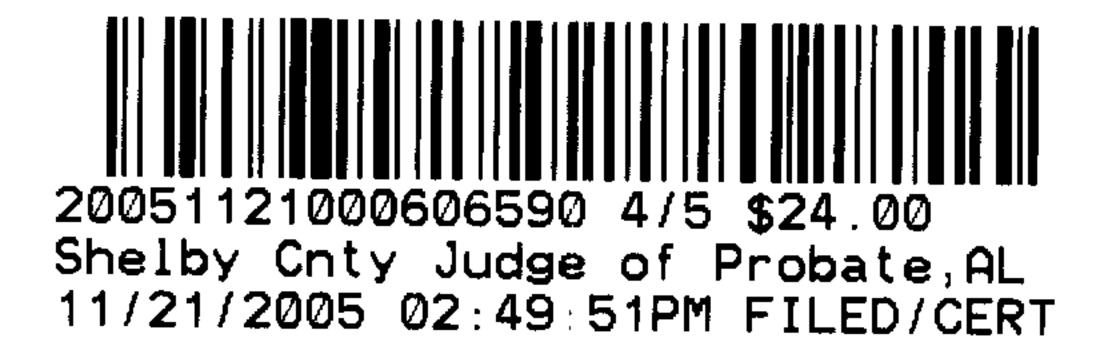


EXHIBIT A

(Legal Description)

Lot 11, according to the Survey of South Park, as recorded in Map Book 20, Page 100, in the Probate Office of Shelby County, Alabama.

Also described as follows:

Legal description of East portion of Lot 11, Southpark as recorded in Map Book 20, Page 100, in the Office of the Probate Judge of Shelby County, Alabama.

Part of the NW 1/4 of the SW 1/4 of Section 30, Township 19 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows:

Commerice at the NE corner of the NW 1/4 of the SW 1/4 of Section 30, Township19 South, Range 2 West; thence run North 87°40'12" West 973.32 feet to a point; thence turn an angle to the left of 93°43'45" and run South 01°23'57" West for 663.70 feet; thence turn an angle to the right of 90°00'00" and run South 88°36'03" West for 30.00 feet; thence turn an angle to the left of 90°02'35", record, 90°01'50", measured and run South 01°25'47" East for 215.58 feet to a point, said point being the beginning of a curve to the left, said curve subtending a central angle of 00°52'05" and having a radius of 1447.24 feet; thence run along the arc of said curve for 21.93 feet to the corner of said Lot 11, of said Southpark and the point of beginning; thence turn an angle to the left of 85°53'54.5" to the chord of said curve and run North 90°00'00" East for 276.70 feet to a point, said point being the Northeastern comer of said Lot 11, Southpark and also being a point on the Westerly line of Lot 2 of Sunlink Subdivision as recorded in Map Book 14, Page 25, in the Office of the Probate Judge of Shelby County, Alabama; thence turn an angle to the right of 90°00'00" and run South 00°00'00" West for 200.0 feet along the Westerly line of said Lot 2 of said Sunlink Subdivision and the Easterly line of said Lot 11 of Southpark to the Southeast corner of said Lot 11, Southpark; thence 90°00'00" right and run North 90°00'00" West for 267.70 feet to a point, said point being on the Easterly right of way line of Southpark Drive; thence turn an angle to the right of 92°50'29" and run North 87°09'31" West along the Easterly right of way line of said Southpark Drive for 5.62 feet to a point, said point being on a curve to the left, said curve subtending a central angle of 08°44'48" and having a radius of 678.79 feet; thence run along the arc of said curve and along the Easterly right of way line of Southpark Drive for 103.62 feet to the end of said curve, said point being the beginning of a curve to the right, said curve subtending a central angle of 03°36'27" and having a radius of 1447.24 feet; thence run along the arc of said curve and along the Easterly right of way line of Southpark Drive for 91.12 feet to the point of beginning.

Legal description of West portion of Lot 11, Southpark as recorded in Map Book 20, Page 100, in the Office of the Probate Judge of Shelby County, Alabama.

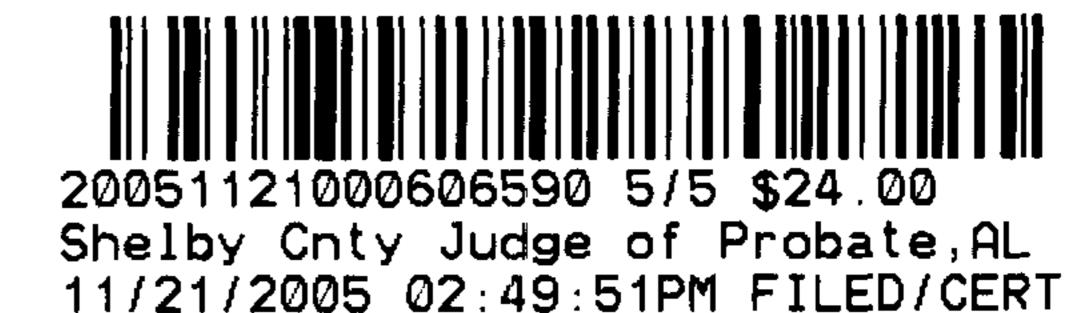


EXHIBIT A (CONTINUED)

(Legal Description)

Part of the NW 1/4 of the SW 1/4 of Section 30, Township 19 South, Range 2 West, being more particularly described as follows:

Commence at the NE corner of the NW 1/4 of the SW 1/4 of Section 30, Township 19 South, Range 2 West; thence run North 87°40'12" West 973.32 to a point; thence turn an angle to the left of 93°43'45" and run South 01°23'57" West for 663.70 feet; thence turn an angle to the right of 90°00'00" and run South 88°36'03" West for 30.00 feet; thence turn an angle to the left of 90°02'35", record, 90°01'50", measured, and run South 01°25'47" East for 215.58 feet to a point, said point being the beginning of a curve to the left, said curve subtending a central angle of 00°52'05" and having a radius of 1447.24 feet; thence run along the arc of said curve for 21.93 feet to the corner of said Lot 11, of said Southpark; thence turn an angle to the left of 85°53'54.5" to the chord of said curve and run North 90°00'00" East for 276.70 feet to a point, said point being the Northeastern corner of said Lot 11, Southpark and also being a point on the Westerly line of Lot 2 of Sunlink Subdivision as recorded in Map Book 14, Page 25, in the Office of the Probate Judge of Shelby County, Alabama; thence turn an angle to the right of 90°00'00" and run South 00°00'00" West for 200.0 feet along the Westerly line of said Lot 2 of Sunlink Subdivision and the Easterly line of said Lot 11 of Southpark to the Southeast corner of said Lot 11, Southpark; thence 90°00'00" right and run North 90°00'00" West for 267.70 feet to a point, said point being on the Easterly right of way line of Southpark Drive; thence turn an angle to the right of 02°50'29" and run North 02°50'29" West for 50.35 "eet to a point on the Westerly right of way line of Southpark Drive and to the point of beginning; thence turn an angle to the left of 90°00'00" and run South 87°09'31" East along the Westerly right of way line of said Southpark Drive for 14.35 feet to a point; said point being on a curve to the right, said curve subtending a central angle of 66°48'11" and having a radius of 25.00 feet, thence run along the arc of said curve and along the Westerly right of way line of said Southpark: Drive for 29.15 feet to a point, said point being on the Easterly right of way line of U.S. Highway 31 South, and said point being on a curve to the left, said curve subtending a central angle of 02°16'54" and having a radius of 5881.31 feet; thence turn an angle to the right of 146°35'54.5" to the chord of said curve and run along the arc of said curve and along the Easterly right of way line of U.S. Highway 31 South for 234.21 feet to a point; thence turn an angle to the right from the chord of said curve of 88°38'25" and run North 00°01'21" East for 2.28 feet to a point on the Westerly right of way line of Southpark Drive, said point being on a curve to the left, said curve subtending a central angle of 03°41'07" and having a radius of 1479.24 feet; thence turn 85°56'14.5" right to the chord of said curve and run along the arc of said curve and along the Westerly right of way line of said Southpark Drive for 96.30 feet to a point, said point being on a curve to the left, said curve subtending a central angle of 08°44'48" and having a radius of 628.79 feet; thence run along the arc of said curve and along the Westerly right of way line of said Southpark Drive for 95.99 feet to the end of said curve; thence run South 87°09'31" East for 5.67 feet to the point of beginning.