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To: Eileen Alexanderson <[REDACTED]>, Richard Joslin <[REDACTED]>

Subject: Re: KUE

Date: Wed, 05 Nov 2014 11:11:48 +0000

the question is when can we take the tax loss? what will it be, can we sell our interest in 2014 to make it easier

On Tue, Nov 4, 2014 at 8:16 PM, Eileen Alexanderson <[REDACTED]> wrote:

I am preparing fuller summary but want to communicate info relevant to the cf model you have in progress.

Guidance from Stan Maron was as follows:

-KUE hopes to have the International business sold by year end with proceeds of \$400 mil. This would imply a distribution to Black Family Partners of approx \$5.7 mil. I am not inclined to book into 4Q cash flow since we are now in November and deal is not signed. Would feel better to assume 1Q15.

-They hope to monetize the Propco unit sometime in 2015 via sale of the company's real estate assets to a REIT. Their Estimated value is \$500mil (\$7.1mil to BFP) but no LOI on this yet, just some early discussions. Also, there was mention of possibility that monetization of RE could come in the form of cash and/or equity.

-Sale of core early child care learning center business would be further out b/c ebitda is still on the mend after a rough spot but there is incentive to get the first two deals closed b/c extension of the LP life past Oct 2015 is dependent on those sales being done.

Sent from my iPhone

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JEE

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