

ABA INT. # 10

TELEPHONE  
FACSIMILE

April 7, 2000

CONFIDENTIAL

VIA FACSIMILE

Mr. Michael Verne  
Premier Notification Office  
Federal Trade Commission  
Room H-314  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Mike:

This letter will confirm yesterday's conversation among you, [REDACTED] and me concerning the application of the Hart-Scott-Rodino ("HSR") Act to the following transaction.

B intends to release a facility from A for 20 years. The amount of the lease

preexisting third-party ground lease beneath the facility expires before 20 years. Upon expiration, the holder of the ground lease could (1) sign a new lease with A or an option to extend A's existing lease; (2) lease the facility to someone other than A who runs the same type of business as B; or (3) remove the existing facility and replace it with another type of facility. We asked you to assume for these purposes that the HSR Act's size-of-person test is met.

Act. Entering into a lease is not treated as an asset acquisition, unless the lease exhausts the useful life of the leased property or amounts to the present transfer or installment purchase of the underlying asset. A lease for less than the useful life of the leased asset will be treated as a bona

The terms of the lease provide for rental payments normal for this type of facility and do not

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You also confirmed that the existence of the ground lease does not alter this  
conclusion. The useful life of the building will be the shorter of the lease and 39 years.

Sincerely,

[REDACTED]  
[REDACTED]

cc:

[REDACTED]

AGREE -  
Michael Verne  
4/10/00