802.1. Where property is no longer rented + the building must be demolished it is equivalent to acquiring raw land + exempt under 802.1(f)
• legally [redacted] required to demolish - condition must be imposed [redacted] by 3rd person such as a zoning board) [redacted]

April 3, 1991

Victor Cohen, Esquire
Staff Attorney
Premerger Notification Office
[illegible]
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

[redacted]

Dear Victor:

This letter confirms our discussion this morning regarding the informal interpretation of Section 802.1 of the Commission's Rules implementing Section 7A(c)(1) of the Hart-Scott-Rodino Act (the "Act"). Section 7A(c)(1) of the Act [redacted] realty transferred in the ordinary course of business. This letter confirms our mutual view that the proposed acquisition by [redacted] of certain real property comes within this exception.

As you recall, the subject transaction involves the [redacted] private roadway. [redacted] interest to [redacted] on February 4, 1991.

On August 17, 1989, [redacted] entered into an option agreement and, on October 12, 1990, entered into a first amendment to the option agreement ("the Option Agreement") pursuant to which [redacted] was given the right to acquire, pursuant to a tax free exchange under Internal Revenue Code Section 1031, a fee interest in a portion of the Property, including certain street widening parcels (the "Fee

Victor Cohen, Esq.
Page Two
April 3, 1991

Parcels") as well as a leasehold interest in the remaining portion of the Property (the "Leasehold Parcels"). On October 12, 1990, [redacted] exercised its rights under the Option Agreement and [redacted] have agreed to close the transaction on July 1, 1991 (the "Closing Date"). Because the Property is currently subdivided into many parcels, on the Closing Date, the Property and [redacted] will be [redacted] convey their respective interests in the Fee Parcels to [redacted] and [redacted] will convey, to each of the various [redacted] Haseko's fee interest in a portion of [redacted] In addition, [redacted] will convey additional property (the "Exchange Property") to the [redacted]. As of the date of this letter, the Exchange Property has not yet been identified. Finally, [redacted] will convey the street widening portions of the [redacted]

Presently, the Property supports a variety of [redacted] Option Agreement, [redacted] is required to demolish all existing improvements and to complete a new development which will include, at the minimum, a residential condominium, a commercial office building and a retail shopping center. All tenants currently occupying the Property have been notified [redacted] redevelopment of the Property.

[redacted] business and does not raise any substantive antitrust concerns. Our conclusion was based on the consistent application of the Section 802.1 exemption by the FTC staff to acquisitions of raw land and partially developed income-producing property, such as retail shopping centers, which are not generating an income stream at the time they are [redacted]

[illegible]

land, or at most, a partially developed shopping center. Thus, since the Property will not be generating an income stream at

[illegible]

Thank you for taking the time to discuss the applicability of the Section 802.1 exemption to this transaction. If this letter misstates our discussion or the FTC Staff's application of the exemption, please call me as

[illegible]

Once again, thank you for your help and guidance with this matter.

Very truly yours,

[redacted]

[redacted]