



August 16, 1991

FEDERAL EXPRESS

Mr. Patrick Sharpe

Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
Washington, D.C. 20580

APR 19 1991

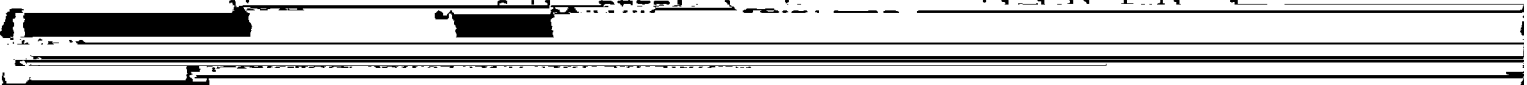
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Dear Mr. Sharpe:

I am writing to confirm your oral advice last week that premerger notification is not required in connection with the transaction summarized below. As [redacted] and I explained to you, the transaction under consideration involves the sale of certain health care facilities by a corporation which currently owns and operates them (the "Seller"). The facilities will be acquired from the Seller by a real estate investment trust which invests in income producing health care related real estate (the "REIT"). The REIT will immediately lease the facilities to a recently organized corporation (the "Tenant"), which will operate the facilities for its own account and pay rent to the REIT. As we described, the lease will provide for an initial term of fifteen years and options to extend the lease for up to an additional twenty-five years. The lease will also provide the Tenant a purchase option at the end of the lease term to acquire the facilities at the greater of 95% of the then fair market value or 130% of the REIT's adjusted purchase price.

Handwritten initials: A/E

You have advised that, as the sale to the REIT is in the



was whether the lease term lasted for substantially the entire useful life of the property. I noted to you that the form of the lease will be a so-called "triple net lease", requiring the Tenant to maintain the facilities. I am informed that with proper

maintenance the useful life of health care facilities such as

certainly should well exceed fifty years. It would, therefore, appear that you would consider the lease to be a "bona fide" lease and that, accordingly, premerger notification will not be required in connection with this transaction.

After you have had an opportunity to review this letter
premerger notification in connection with the transaction

[REDACTED]

called [REDACTED] 3-20-91
I concur with this letter
after confirming that the
REIT is subject to IRS
limitations

(RS) concurs

A.H.
K