

Bureau of Competition, Room 303 Federal Trade Commission Washington, DC 20580

Dear Ms. Epps:

This letter is to confirm our conversations last Wednesday. Attached is an outline of the transaction I described to you. You advised me that provided that the REIT is qualified under the Internal Revenue Code (the "I.R.C.") and the real property and improvements to be acquired are "income producing", the proposed acquisition described in the outline is exempt from premerger notification, pursuant to § 7A(c)(1), as an acquisition in the

results for complete taxable years. The REIT has received legal advice that it qualified for taxation as a real estate investment trust during past taxable years. An accurate statement of the REIT's status for its current taxable year (and any subsequent

continue to meet the manufacture for and 1:5: and 1

through actual operating results for the corresponding taxable year, the various qualification tests imposed under the I.R.C.

My understanding is that, for purposes of the § 7A(c)(1) exemption, "qualification" as a real estate investment trust under the I.R.C., in the sense your intended, means the status described in the preceding paragraph. Any other interpretation would mean the availability of the ordinary course of business

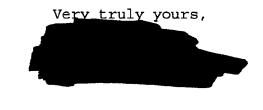
47.00

Melea Epps, Esq. May 4, 1993 Page 2

Accordingly, I believe the REIT is "qualified" under the I.R.C.

in the grade work intended—It would be believe if the definition
of "qualified" in your rule-making proposal is clarified to
encompass the interpretation in the preceding paragraph.

If I have misunderstood your advice or, in light of the foregoing, further clarification is necessary, please call me at



hen) That, with respect to the first paragraph

Mature of the acquiring person. The advice of that a greatefied REIT start a greatefied REIT start acquires income producing progerty is not required to report the acquirition, which is pursuant to the OCB \$7A(c)(1) exemption.

OUTLINE OF PROPOSED TRANSACTION

estate investment trust (the "REIT").

The REIT is in the business of making investments in special purpose properties which can be used in the operation of certain businesses. In order to retain its qualification for taxation as a real estate investment trust under federal tax laws, the REIT may not operate these properties itself (except in limited circumstances following a default in an investment). Rather it must lease the properties to third parties, who operate the properties and pay rent for the privilege.

An insurance company ("Ins. Co.") is the ultimate parent of a company that currently owns certain real property (the "Owned Property") and that also has 50% interests in certain

ALUDELLA..) THE OMHER ELODETTA WHO THE DOTHE ACHIEVE ELODETTA

The Existing Operators operate on each parcel of Owned Property and Joint Venture Property. The real property and the leases to the Existing Operators include related buildings and equipment on each parcel. The leases run for an additional transfer and parcel and the Existing Operators.

Joint Venture Interests or the Joint Venture Property from the subsidiary of Ins. Co. (which may, by the time of the closing, have acquired a 100% interest in the Joint Venture Property).

The leases with the Existing Operators will remain in place and

the proposed acquisition would be subject to the rights of the

adminition of such real property building and equipment require