

217(2) U. I.  
REITS

[REDACTED]

(not in service)

February 3, 1994

FEB 3 4 52 PM '94  
FEDERAL TRADE COMMISSION  
OFFICE OF PREMERGER NOTIFICATION

VIA HAND DELIVERY

Mr. Patrick Sharpe  
Compliance Specialist

Federal Trade Commission  
Pre-Merger Notification Office  
6th and Pennsylvania Avenues, N.W.  
Room 301  
Washington, D.C. 20580

Dear Patrick:

This is to confirm our telephone conversation earlier today in which you agreed that the purchase of [REDACTED]

The [REDACTED] are currently owned by different ultimate parent entities. [REDACTED] are each currently owned by a [REDACTED] whose general

interest. Accordingly, each [REDACTED] has a different limited partnership as its ultimate parent entity and for H-S-R purposes, we understand that we would treat each [REDACTED] separately for determining whether the \$15 million threshold is reached. Two of the remaining [REDACTED] are owned by [REDACTED] general partnerships, with one individual having a 50% interest in the partnership. Thus, for these [REDACTED] the individual will be the ultimate parent entity, and for H-S-R purposes, the consideration of [REDACTED] must be combined. For the remaining [REDACTED] the REIT will have transferred to it the leasehold interest, which is held by a [REDACTED] limited partnership which is its own ultimate parent entity, and a fee simple ownership interest, which is owned by another [REDACTED] partnership. Each [REDACTED] has a different ultimate parent entity, and, therefore, need not be combined for valuation purposes. The allocation of the purchase price will be determined by dividing the net operating income for the improved [REDACTED] by the applicable capitalization rate. The allocation has not yet been determined. It is expected that some, but not all, of

correct

Mr. Patrick Sharpe  
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for a total purchase price of \$165 million by a company subject to the requirements of the Real Estate Investment Trust Act of 1960, as amended, would be exempt from the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 under 15 U.S.C. § 18a(c)(1) since it is an acquisition of realty in the ordinary course of business. This exemption applies to REITs even though the property they are purchasing is income producing.

Please let me know immediately if I have in any way misunderstood the FTC's position on this issue.

Sincerely,

[REDACTED]

Attempted to  
call [REDACTED] 2-4-94  
but number is not in  
service. However, this  
is a standard letter  
that also sends

I concur  
(PS)

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this letter.

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the [REDACTED] will have values attributed to them in excess of \$15 million. However, since the acquiring ultimate parent

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