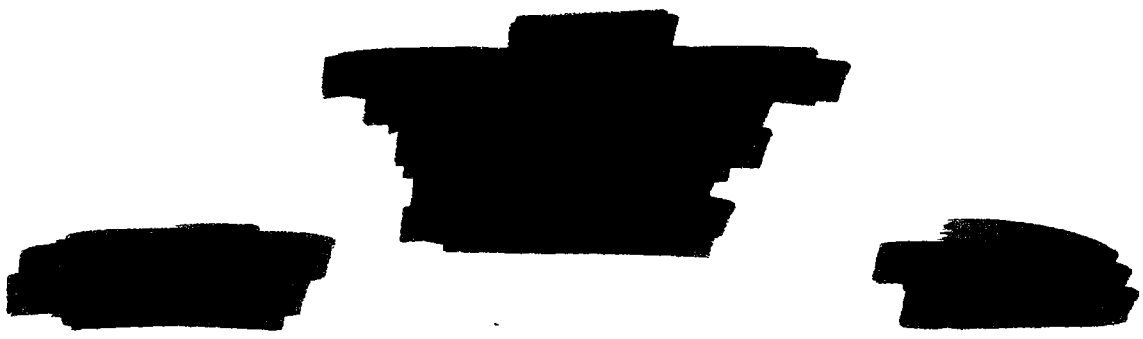


009-1011

802.1 (C) 801.13



June 8, 1994



Premerger Notification Office
Bureau of Competition - Room 303
Sixth & Pennsylvania Avenue, N.W.
Washington, D.C. 20560
Attn: Mr. Richard Smith

Re: Filing of Premerger Notification Form
in connection with a Real Estate Transaction

Dear Mr. Smith:

This letter is to confirm our telephone conversation on June 7, 1994.

to make Premerger Notification Filings with respect to a particular real estate acquisition. The seller of the subject real estate, referred to herein as Company C, would also be required to file if the purchasers are required to file.

FACTS:

On April 26, 1994, Company A and Company B, as purchasers, entered into a purchase and sale agreement with Company C, as seller, to acquire approximately [redacted]

¹With respect to the formation of the joint venture, we have concluded that, based upon Rule 801.40 and the available interpretations thereof, no filing is required because the joint venture is a general partnership.



[REDACTED]

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June 8, 1994
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existing roadways and have separate legal descriptions. Of the [REDACTED] parcels, [REDACTED] are unimproved parcels (lots A, E, F, I, J, M, N and O on the attached map) and [REDACTED] parcels (lots B, C, G and K) are improved with [REDACTED] some vacant and some leased. Lots D, H and [REDACTED] are the subject of this transaction. The aggregate purchase price for the lots is \$275

as [REDACTED] does not fit within the "goods or realty" exemption.

QUESTIONS PRESENTED:

1. In the Office's view, is the real estate divisible into "improved" and "unimproved" because of the existing roadways dividing the lots and our representation to you that the lots have separate legal descriptions?

DISCUSSION:

1. Pursuant to our discussion, it is the Office's view that the lots to be acquired are divisible into "improved" and "unimproved" because of the existing roadways dividing the lots and our representation to you that the lots have separate legal descriptions.

²For purposes of simplicity we have eliminated discussion of asset calculations and ultimate parent entities ("UPEs") of the parties to the transaction. If an exemption is not available, we have concluded that the UPE of each of Company A and Company B would be [REDACTED]

An exception to this characterization of which we are aware is that the acquisition of income-producing [REDACTED] which have been abandoned and non-income-producing to the seller for more than two years does fit within the "goods or realty" exemption.

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2. Based upon the foregoing conclusion, the acquiring and acquired parties are permitted, using commercially reasonable standards, to allocate the value of the assets to be acquired⁴ between the improved and unimproved lots to determine whether the "size of the transaction" test is met. In the event the parties can agree, using commercially reasonable standards, that the improved parcels are valued at \$15 million or less and the unimproved parcels are valued at more than \$15 million, then the transaction would not be reportable. The transaction is not

property to be substantially more valuable (at least \$20.5 million) than the

3. Although in the Office's view the parties are not required to document the allocation of the purchase price between the improved and unimproved parcels, the parties intend to document this determination.

We appreciate your assistance in this matter.

Very truly yours,

Enclosure

cc:

6/9/94 - called letter writer and advised that I was in agreement with the analysis and conclusions in this letter.

The parties believe the purchase price is not less than the fair market value of the property; since no liabilities will be assumed by the acquiring persons, the value to be allocated is \$37.5 million.

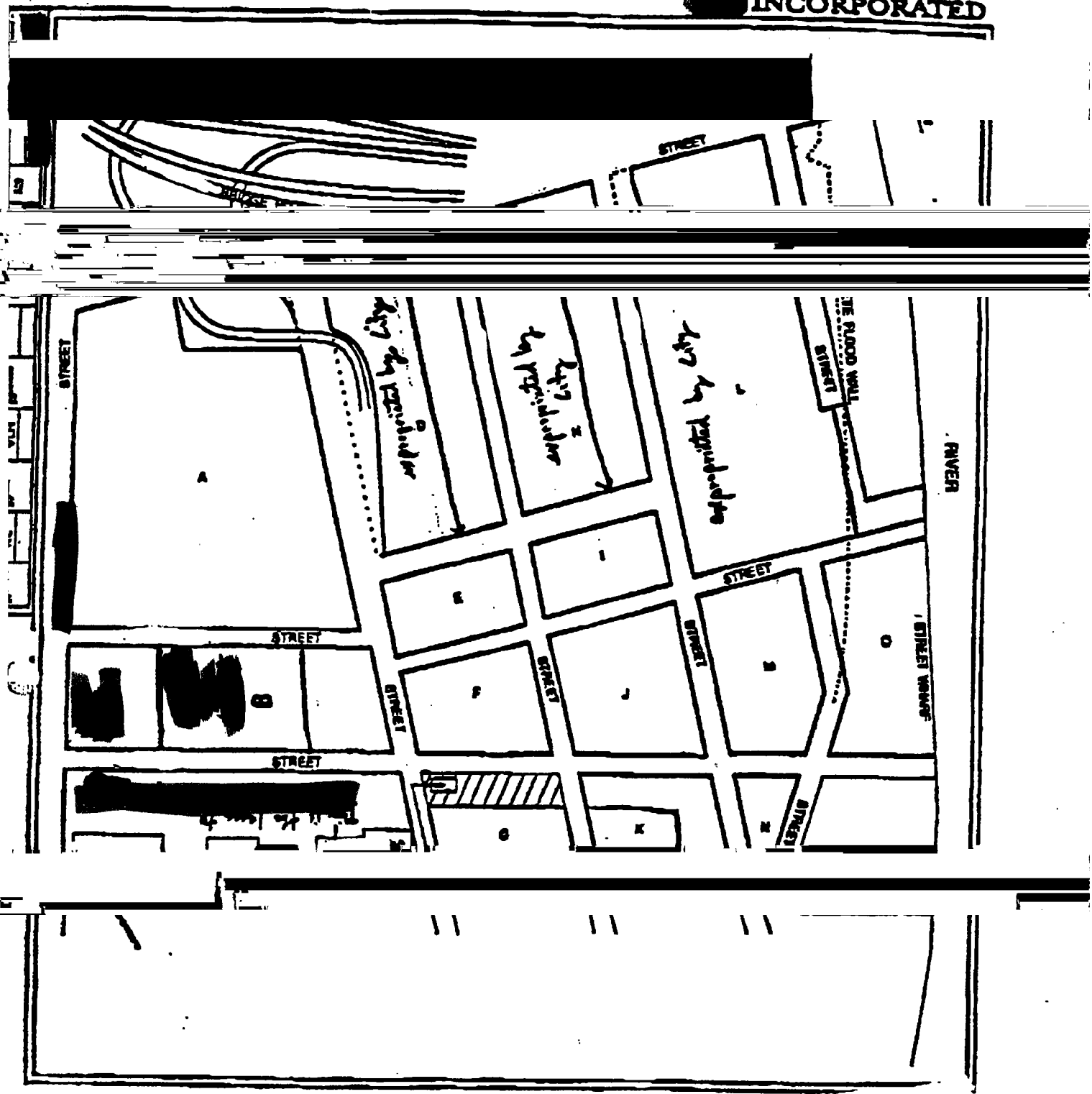


FIGURE 2
SITE SKETCH