

802.5

Verne, B. Michael

From: [REDACTED]  
Sent: Monday, February 13, 2006 12:26 PM  
To: Verne, B. Michael  
Subject: 802.5 Exemption - acquisition of communications towers and related real property

Hi Mike,

I am writing to you to confirm the applicability of Section 802.5 to the acquisition of communications towers and related real property. Based on informal interpretations, I understand the Section 802.5 has a two prong test that looks at the portions of the communications towers (and related assets) that are not used, and will not be used, by the parties for their own use or business purposes. Thus, the Section 802.5 analysis can not be completed until a buyer for the assets has been identified unless the assets, as owned by seller, do not qualify for the exemption under the first prong.

The first prong looks to the current use of the assets. The value of the tower assets and related real property, that is either rented or held available for rent to unrelated third parties (including common areas and assets incidental to the ownership of the property) is exempt under Section 802.5.

The second prong looks to the intended use of the assets by the buyer. The value of the tower assets and related real property, that will be either rented or held available for rent to unrelated third parties (including common areas and assets incidental to the ownership of the property) is exempt under Section 802.5.

Only the smaller of the percentage of assets eligible for the Section 802.5 exemption under the two prongs of the analysis will qualify for the Section 802.5 exemption.

Please confirm that this is still the current analysis under Section 802.5 for the acquisition of communications towers and related real property.

Thanks,

YES - IT IS  
Buchler  
2/13/06

[REDACTED]

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