

802.5

Verne, B. Michael

From: [REDACTED]
Sent: Monday, February 27, 2006 9:34 AM
To: Verne, B. Michael
Subject: Investment Rental Property Exemption

Hi Mike.

I hope you are doing well.

I have a few questions concerning section 802.5 -- the investment rental property assets exemption. Assume an acquiring person plans to acquire skilled nursing home facilities for rental or investment purposes. The acquiring person does not plan to operate the facilities, but instead plans to lease them to third parties under triple net leases.

(1) Would the exemption described in 802.5 apply not only to the realty but also to any equipment that the acquiring person will acquire with the realty and that is currently used in conjunction with the operation of the realty -- such as skilled nursing beds, regardless of the value of such equipment?

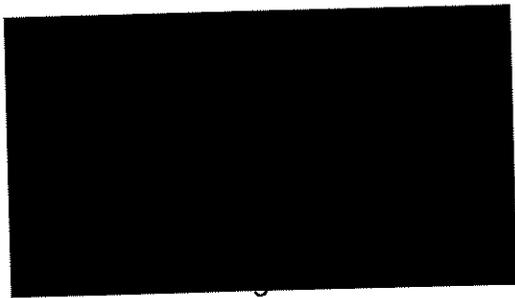
(2) Would the exemption apply regardless of whether the sellers currently operate the properties themselves or must the sellers also hold the properties as investment rental properties subject to triple net leases with other third parties for the exemption to apply? YES

(3) Would the exemption apply if the realty at issue is mixed and includes skilled nursing facilities, medical office properties, and other office properties so long as the acquiring person intends to buy all such properties solely for rental or investment purposes? YES

Thanks for your help Mike.

Best regards,

[REDACTED]



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2/27/06

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