802.5

Verne, B. Michael

From: [redacted]
Sent: Thursday, September 27, 2012 4:34 PM
To: Verne, B. Michael
Subject: 16 CFR 802.5

Mike -

Company A has entered into a transaction to monetize certain of its real estate and related assets consisting of approximately 7,100 to 7,300 cellular phone tower sites (the "Sites"). Company B will make an upfront payment in the approximate range of $2.0 billion to $2.8 billion to Company A in exchange for the right to lease or purchase the cell tower and related real property at the Sites and to operate the Sites. The transaction does not include the transfer or sale of any employees, support functions (other than for a short period pursuant to a transition services agreement), goodwill, or other assets that are not related to the Sites.

Under the definitive documentation, Company B will obtain a long-term lease for the majority of the Sites (approximately 83%-91% of the Sites), pursuant to which Company B will lease Company A's interest in the leased real property, the tower located at each site, and the related equipment and improvements with respect thereto. The term of such lease will range from 23 to 37 years, depending on the remaining economic life of the Sites. Company A will also transfer to Company B the related collocation agreements (including, the right to manage and collect the rent from such collocation agreements). At the end of the applicable lease terms for each Site, Company B will have the option to purchase the leased Site at an agreed price. A smaller portion of the Sites (approximately 9% to 17% of the Sites) will be sold to Company B. For these sale Sites, Company B will purchase Company A's interest in and to the owned or leased real property and all collocation agreements with respect to such Sites.

In each case, Company B will then have the right to market all available capacity at the Sites and maximize the collocation revenue that may be derived therefrom. A portion of the collocation space at each of the Sites leased and sold to Company B will be subleased or leased, as the case may be, back to Company A for an initial 10-year lease term with eight five year renewal terms.

Based on the PNO's interpretation of January 3, 2012 (http://www.ftc.gov/bc/hsr/informal/opinions/1201001.htm), we believe that this transaction is exempt under 16 C.F.R. 802.5. We would appreciate your confirmation of our understanding.

Thanks, as always. Please call if you have any questions or need additional information.[redacted]

AGREE -
BM
9/28/12

K. WALSH CONCURS

[redacted]

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