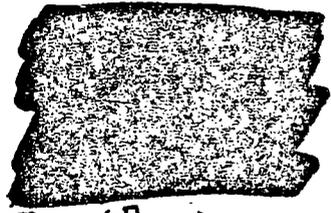


July 14, 1986

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Premerger Notification Office
Bureau of Competition
Room 301
Federal Trade Commission
Washington, D.C. 20580
Attn: Wayne E. Kaplan, Esquire
Staff Counsel

5 10 31
JUL 14 1986

RE: Acquisition of a limited partnership interest in
a partnership owning real property by a client of
[redacted]

Dear Mr. Kaplan:

Our law firm represents a domestic corporation which invests in real estate throughout the United States. Our client (hereinafter sometimes referred to as "X") is a subsidiary of a foreign corporation. This letter is in reference to our recent conversations regarding certain transactions contemplated by our client, X. The facts contemplated are as hereinafter set forth.

There are two partnerships involved. For purposes of this letter, they will be designated as "A Limited Partnership" and "B Limited Partnership". A Limited Partnership owns the interest of the the lessee under a 75-year groundlease and the improvements thereon, which leasehold interest and improvements comprise a shopping center (hereinafter sometimes referred to as "Shopping Center A"). B Limited Partnership also has an interest in a shopping center. B Limited Partnership owns the improvements and an interest in land (part of which is owned in fee simple and part of which is groundleased) which together comprise the shopping center (hereinafter sometimes referred to as "Shopping Center B"). Until recently, the general partner of B Limited Partnership and an existing limited partner owned the fee simple portion of the Shopping Center B land as tenants in common. In contemplation of this transaction, they have recently conveyed such land to B Limited Partnership.

The three existing partners of A Limited Partnership are an entity hereinafter referred to as "Y-Sub 1", our client, X, and a party related to Y-Sub 1.

Y-Sub 1 and the related party
the corporation
Section 7A (b) of the Clayton Act
which restricts release under the
Freedom of Information Act

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collectively own a 50% interest in A Limited Partnership and Y-Sub 1 is the general partner thereof, the related party being a limited partner. X owns a 50% interest in A Limited Partnership as a limited partner. X is not related to Y-Sub 1.

The partners of B Limited Partnership are an entity which will be designated as "Y-Sub 2", an entity which will be designated as "Y-Sub 3", and another entity which will be designated as "Z". Y-Sub 2 is the sole general partner of B Limited Partnership. Z and Y-Sub 3 are limited partners of B Limited Partnership. Z is not related to X or Y. Y-Sub 1, Y-Sub 2 and Y-Sub 3 are subsidiaries of a common parent which will be designated as "Y".

The transaction contemplated involves the transfer by X of a majority of its interest in A Limited Partnership to B Limited Partnership. While the extent of the interest to be contributed has not been precisely determined, it is contemplated that the interest in A Limited Partnership which will be contributed to B Limited Partnership will not be less than a 49% interest in A Limited Partnership, nor more than a 49.9% interest in A Limited Partnership. As a result of this contribution to the capital of B Limited Partnership, X will retain an interest in A Limited Partnership of not less than one-tenth of one percent (.1%), nor more than one percent (1.0%), subject to an option in favor of B Limited Partnership as more fully described below. In addition to the contribution of the approximately 49% interest in A Limited Partnership to B Limited Partnership, X will also contribute to B Limited Partnership cash in the amount of approximately \$24.7 million.

In connection with the contribution by X to B Limited Partnership, B Limited Partnership will acquire an option to purchase the remaining interest of X in A Limited Partnership for a nominal sum. This option will not be exercisable for at least a year. Our understanding is that the entire interest of X in A Limited Partnership will not be contributed at the present time, and the option will not be exercisable for at least a year, because of considerations unrelated to the premerger notification issue. We anticipate that this retained interest will be conveyed at a future time pursuant to the option.

In return for its contribution of cash and the limited partnership interest in A Limited Partnership, X will receive an interest in B Limited Partnership as a limited partner.

[REDACTED]

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This interest will be essentially a 50% interest in B Limited Partnership, since X will acquire the right to 50% of the capital of this partnership (the proceeds of any sale, financing or refinancing) and 50% of the cash flow of this partnership, subject to a special allocation by the partnership in favor of Y-Sub 2. Recently Z sold a portion of its existing interest in B Limited Partnership to Y-Sub 2 for a substantial cash payment in order to make possible the transfer to X of the interest in B Limited Partnership described above. The interest in B Limited Partnership retained by Z will give it a thirty-three and one-third percent (33-1/3%) interest in the capital of this partnership in excess of a base amount (determined by a complicated formula) and a zero percent (0.0%) interest in the cash flow. It is presently contemplated that, in connection with the admission of X to B Limited Partnership, Y-Sub 3 will withdraw from B Limited Partnership. Y-Sub 2 will then have, by reason of its general partnership interest in B Limited Partnership, a sixteen and two-thirds percent (16-2/3%) interest in the capital of B Limited Partnership, a fifty percent (50%) interest in the cash flow of B Limited Partnership and a special allocation to Y-Sub 2 of all benefits and detriments arising out of the ownership of the limited partnership interest in A Limited Partnership contributed by X. If Y-Sub 3 does not withdraw as indicated, Y-Sub 2 and Y-Sub 3 will collectively own this interest in B Limited Partnership.

Based on my discussions with you, it is our understanding that our client, X, does not need to file a premerger notification report because on consummation of the present transactions, namely the contribution by X of cash and a partnership interest in A Limited Partnership to B Limited Partnership and the receipt by X of a partnership interest in B Limited Partnership, the partnership interests in A Limited Partnership will not be owned by a single "person" nor will the partnership interests in B Limited Partnership be owned by a single "person." In reliance upon our discussions, our client will not file a premerger notification report pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, Pub. L. No. 94-435, unless you advise us of the need to do so within seven (7) days from the date of this letter.

Sincerely,

OK w/c
upon later review
on 3/9/87

[REDACTED]