

002.1
C-1
REIT

FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

SEP 22 10 44 AM '95

September 21, 1995

VIA HAND DELIVERY

Mr. Patrick Sharpe
Compliance Specialist
Federal Trade Commission
Pre-Merger Notification Office
6th and Pennsylvania Avenues, N.W.
Room 300
Washington, D.C. 20580

Dear Patrick:

This is to confirm our telephone conversation earlier today in which you agreed that the following transaction would not be reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, codified at 15 U.S.C. § 18a:

REIT

Purchaser, a company subject to the requirements of the Real Estate Investment Trust Act of 1960, as amended, proposes acquiring from Seller, an insurance company, a shopping center and office complex for approximately \$22 million¹. The Purchaser may desire to conduct the transaction as a tax deferred exchange under §1031 of the Internal Revenue Code. If the transaction is a §1031 exchange, then, prior to the transfer of a fee simple interest in the real property to Purchaser, the asset purchase agreement would be assigned by Purchaser to an unrelated Intermediary (e.g., a title company or lawyer). At closing, however, the deed for the real property will be transferred directly by Seller to Purchaser.

carved
office
space
\$11 ov
\$15 mn

¹The size of the parties test will be met in this transaction.

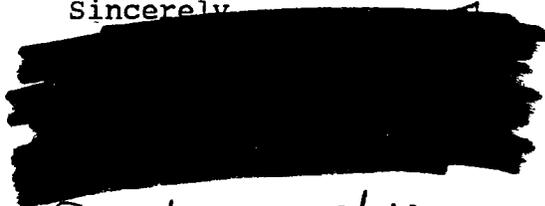


Mr. Patrick Sharpe
September 21, 1995
Page 2

Even though the size of the parties and size of the transaction tests are met here, it is my understanding that this transaction will be exempt under 15 U.S.C. §18a(c)(1) since it would be considered an acquisition in the ordinary course of business for a REIT to purchase an income producing office complex and shopping center. The involvement of Intermediary for purposes of §1031 of the Internal Revenue Code does not render the transaction reportable since the Intermediary will be merely servicing as a conduit, with title to the property being conveyed from Seller to Purchaser *and not to Intermediary.*

Please let me know immediately if I have in any way misunderstood the FTC's position on this issue. As usual, I appreciate your assistance in this matter.

Sincerely,



Does Intermediary get beneficial ownership at any time? No

Intermediary is not acquiring anything.

The acquisition by purchaser (a REIT) is exempt under 802.1 or C-1.

Talked to



9-22-95