[redacted] [redacted] [redacted]

July 1, 1983

VIA FEDERAL EXPRESS

Mr. Wayne Kaplan
Room 301
Federal Trade Commission
Washington, D.C. 20580

Re: [redacted]
Antitrust Improvements Act

Dear Mr. Kaplan:

In accordance with your request during our telephone conversation this morning, this letter will supplement my letter to you of June 29, 1983, concerning the applicability of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") to the planned acquisition of forty parcels of improved real property by our clients, [redacted] and/or their nominees. Capitalized terms used in this letter are as defined in my letter of July 29th.

You requested additional facts relating to the possibility that the Phase II transaction might trigger the Act's reporting requirements. As we understand it, regardless of the value of the purchaser's total assets, the exercise of the options in this transaction would not be reportable because the threshold requirement in Section 7A(a)(2) of the Act would not be met: none of the Partnerships selling Phase II Properties has total assets greater than $10,000,000. (The two Partnerships that own several projects whose aggregate value is greater than $10,000,000, indicated on Exhibit C to my previous letter, are selling those Properties in Phase I.)

However, if a person with total assets of more than $100,000,000 exercised all the options and then transferred the Phase II Properties to another entity with assets greater than $10,000,000, the subsequent transfer might have to be reported. It would satisfy the requirements of Sections 7A(a)(2)(C) and

(a)(3), and we have already acknowledged that (a)(1) would be met in any case. This theoretical possibility, which was not discussed in my letter of July 29th, would not arise in this transaction for the reasons given below.

There are several ways in which the Phase II transaction might be structured. We expect that it will occur in one of the following three ways, none of which would trigger the Act's reporting requirements.

1) PSP II might acquire all of PSI's rights under the options and then purchase all of the Phase II Properties. This is the most likely scenario for the transaction. Since, as stated above, the exercise of the option alone would not be reportable, a Notification would not have to be filed if the transaction took this form.

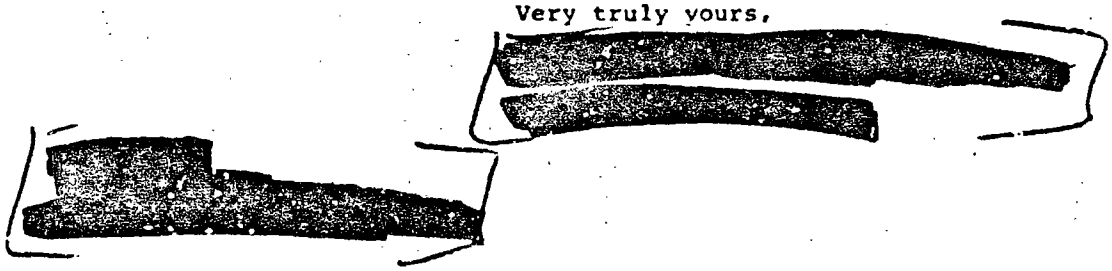
2) PSI might exercise the option itself and then sell the Phase II Properties to PSP II. This is the possibility that concerned you, but it is extremely unlikely that the transaction would be structured in this way. Even if it were, neither [redacted] Ultimate Parent Ent[redacted] total [redacted] $100,000,000 or more, s[redacted] from [redacted] would fail to meet the [redacted] requirements in Section 7A(a)(2)(C). (As s[redacted] previous letter, we are assuming that [redacted] will be worth less than $100,000,000.)

3) [redacted] might purchase the Phase II Properties jointly and then transfer them to another entity. This scenario is possible, but again, unlikely. If the transaction did occur in this way, it would be structured just like the Phase I acquisitions - the Phase II Properties would be purchased for cash, [redacted] Notes, and assumption of debt, and the Properties would then be contributed immediately to a newly formed general partnership owned by [redacted] There is a possibility that, after the exercise of the options, [redacted] total assets might be valued at more than $100,000,000. However, the formation of this non-corporate joint venture would not be reportable under the Act. In addition, the transfer of the Phase II Properties to the non-corporate joint venture would not be reportable because it would have no assets prior to the transfer. Therefore, Section 7A(a)(2)'s requirements would not be met.

In conclusion, based upon the description of the Phase II transactions set forth above, the purchase of the Phase II Properties will not be a reportable event under the Act. We are therefore assuming, in accordance with your advice, that no Notification must be filed with the FTC or Justice in connection with the transactions described herein and in my letter of June 29, 1983. Consequently, unless we hear from you to the contrary by July 8, 1983, no Notification will be filed in connection with these acquisitions.

Thank you very much for your attention to this matter. Please do not hesitate to call me or [redacted] of this office if you have any additional questions.

Very truly yours,



The attached letters were reviewed by Wayne Kaplan and Dana Abrahamson prior to July 8, 1983 and as modified in the second letter there does not appear to be a reportable transaction or transactions required.

Wayne Kaplan 7/8/83