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[REDACTED] P.

ST. PA  
TELEPHONE  
FAX: [REDACTED]

FAX: [REDACTED]

ATTORNEYS AT LAW  
[REDACTED]

July 21, 2003

Ms. Nancy Ovuka  
Federal Trade Commission  
600 Pennsylvania Ave. NW  
Washington, D.C. 20530

VIA FACSIMILE

Dear Ms. Ovuka:

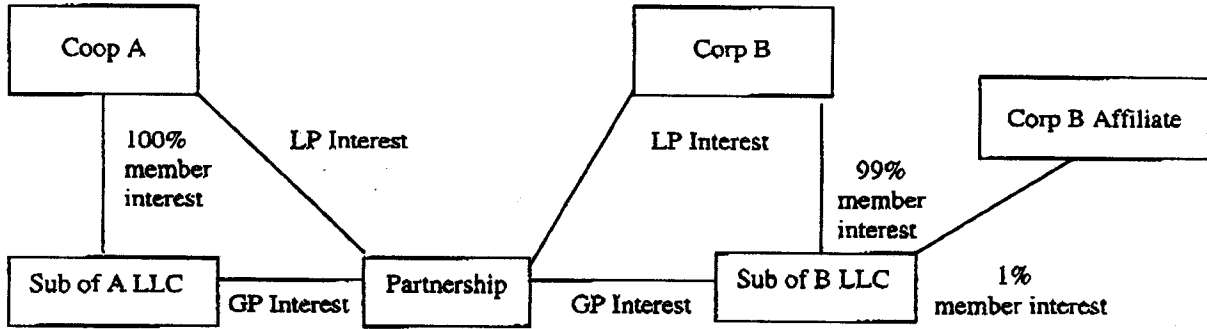
This is a follow up to our telephone conversation on July 21, 2003, during which Mr. [REDACTED] and I outlined a proposed transaction and sought confirmation of our conclusions. Please confirm the conclusions outlined in this letter.

1. General Treatment of Acquisitions of Partnership Interests. You confirmed that the Premerger Notification Office ("PNO") has not changed its view with respect to the reporting of acquisitions of partnerships. That is, unless an ultimate parent entity is acquiring 100% of the partnership interests, an acquisition of partnership interests is not a reportable transaction.

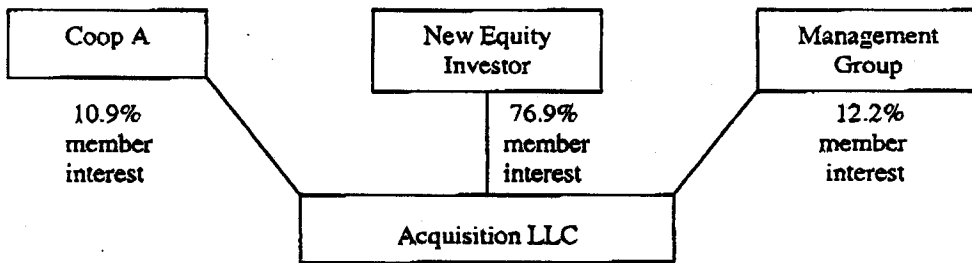
2. Formation of LLC's. You also confirmed that the formation of an LLC is not reportable unless two or more operating businesses are contributed to that LLC.

3. Proposed Transaction. Coop A owns directly and indirectly an approximate 29% partnership interest (combined general and limited) in Operating Limited Partnership (the "Partnership"). Corp B and Sub of B LLC directly own an approximate 71% partnership interest (combined general and limited) in the Partnership. Corp B and Corp B Affiliate own all the membership interests in Sub of B LLC. Finally, Corp B and Corp B Affiliate are currently the subject of certain bankruptcy proceedings. Such holdings can be represented as follows:

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Three parties propose to form a limited liability company ("Acquisition LLC"), for the purpose of acquiring: (i) the limited partnership interests of the Partnership which are held by Corp B; and (ii) the membership interests in Sub of B LLC which are held by Corp B and Corp B Affiliate. The members of Acquisition LLC will be: (i) Coop A (whose members have one vote per member and consequently no ultimate parent entity), which will contribute approximately \$5.0 million in cash; (ii) a new equity investor, which will contribute approximately \$35.4 million in cash ("New Equity Investor"); and (iii) three individual management members of the Partnership (either personally or through entities they beneficially own or control), who have no ownership interest in Coop A or ability to control the Board of Coop A, who will contribute approximately \$5.6 million in cash in the aggregate ("Management Group"). Ownership of Acquisition LLC can be represented as follows:

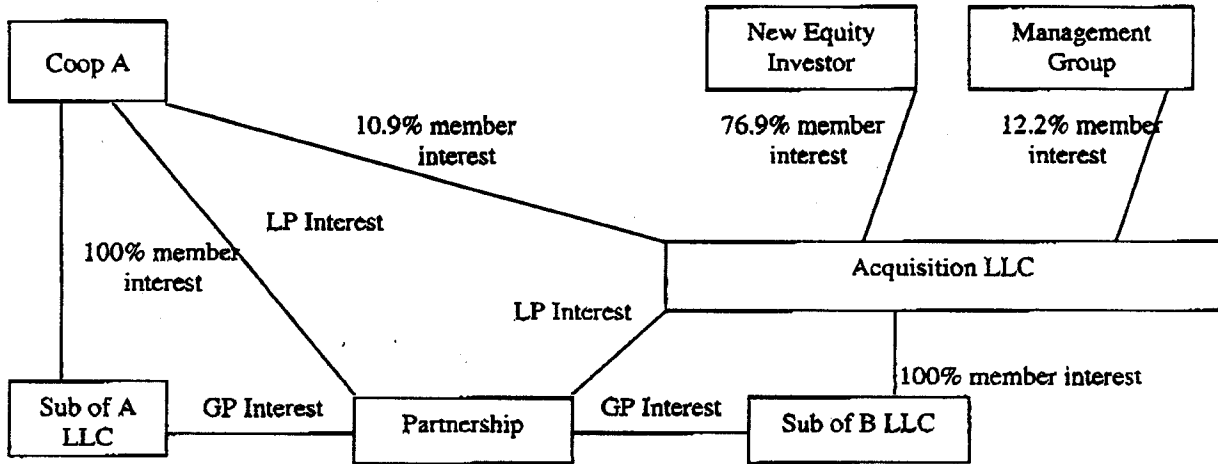


At this point, Coop A will not control Acquisition LLC. Furthermore, the formation of Acquisition LLC does not involve the contribution of more than one separately-owned active business.

Acquisition LLC will then acquire the membership interests held by Corp B and Corp B Affiliate in Sub of B LLC. Immediately thereafter, Acquisition LLC will acquire all the

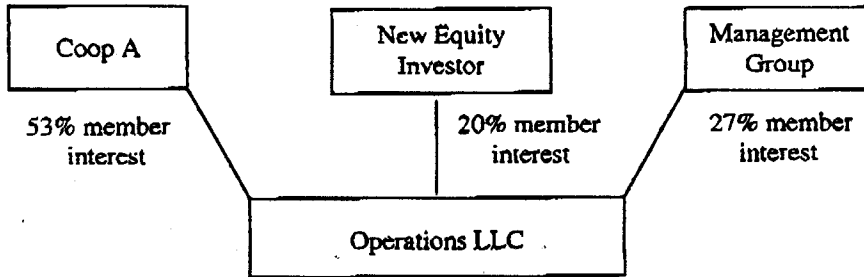
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limited partnership interests held by Corp B in the Partnership. The result of the transaction can be represented as follows:



At this point, Coop A is both a minority interest partner in the Partnership and a minority member of Acquisition LLC. With such minority positions, Coop A does not control Acquisition LLC or the Partnership and should, therefore, not be deemed to be the ultimate parent entity. Consequently, no person (or ultimate parent entity) is acquiring 100% of the partnership interests in the Partnership.

Sub of B LLC (holder of general partnership interest in Partnership) will then merge into Acquisition LLC (the financing vehicle) for the purpose of simplifying the structure and to eliminate a non-operating entity. Acquisition LLC (the financing vehicle) will then merge into the Partnership (the operating company) and will immediately convert the Partnership to a limited liability company ("Operations LLC"). Subsequent to the conversion, Sub of A LLC will merge into Operations LLC for the purpose of simplifying the structure and to eliminate a non-operating entity. The result of the transactions can be represented as follows (percentages represent financial interests, which correspond with the governance interests):



[REDACTED]

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At the conclusion of the transaction, Coop A will own approximately 53% of Operations LLC's membership interests. Even though Coop A may be deemed to be the ultimate parent entity of Operations LLC, the transaction would not be reportable because the acquisition of less than 100% of the limited partnership (or an LLC) is not separately reportable and the LLC formal interpretation is inapplicable because only one separately owned active business is being acquired throughout the transaction. Consequently, the transaction would not be reportable.

Please call me at [REDACTED] to re-confirm your telephone advice. We appreciate your timely response to this important matter.

Sincerely,

[REDACTED]

[REDACTED]

cc: Joan Fina, FOIA Officer

[REDACTED]

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Confirmed with writer that none of the various steps in the transaction constitutes a reportable event.

nmo

MV concurs

[REDACTED]