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Verne, B. Michael

From: [Redacted]
Sent: Thursday, April 08, 2004 8:43 PM
To: Verne, B. Michael
Cc: [Redacted]
Subject: Confirmation Email

Mr. Verne

This email is to confirm our telephone conversation earlier today. The transaction that we discussed was as follows:

Our client, Company A, and Company B are the sole members of a limited liability company ("LLC X"). Company A and Company B's interests in LLC X are 60% and 40%, respectively. The parties are contemplating a transaction pursuant to which Company A will acquire all of Company B's interest in LLC X. It is anticipated that the purchase price for such acquisition will be in excess of \$50 million and that both Company A and Company B satisfy the size of person test. As a result, Company A will have a filing obligation pursuant to Formal Interpretation 15, as it is purchasing 100% of the membership interests of LLC X. The transaction will be reportable as the acquisition of all of the assets of LLC X.

The sole asset of LLC X is an arena. LLC X generates revenues from this property by leasing the arena for large scale events (professional sporting events, concerts, trade shows, etc.), through advertising and sponsorship arrangements and through concessions sales by third-party vendors. Of the revenues generated by the property in fiscal year 2003, less than 10% were paid to LLC X by entities included within Company A.

Based on the foregoing facts, I understood your position to be that, in connection with the sale of the membership interests of LLC X from Company B to Company A, the transaction value would be the fair market value of the entire auditorium, less the portion of the fair market value of the arena exempt from the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") as "investment rental property assets" pursuant to Section 802.5. For purposes of determining the portion of the fair market value of the arena that would be exempt from the requirements of the Act, I understood you to indicate that it would be permissible for Company A to treat as exempt an amount equal to the fair market value of the entire arena reduced by the value attributable to entities included within Company A.

I respectfully request that you contact me by email or at [Redacted] to confirm that the foregoing accurately summarizes our conversation and your views on the matters discussed herein. Thank you for your attention to this matter.

[Redacted signature block]

Agree.
B. Michael
4/12/04

Please note my new email address is [Redacted]