

802.2(c)

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, April 18, 2006 5:45 PM
To: Verne, B. Michael
Subject: Compliance Question regarding 16 C.F.R. Section 802.2(c)(1)

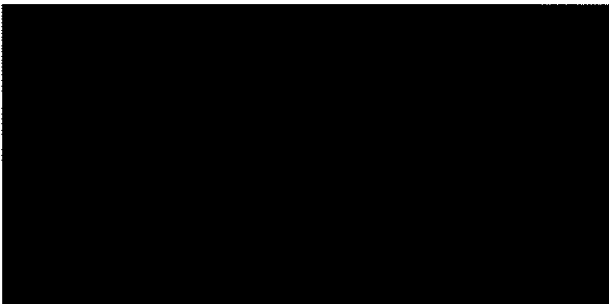
Mike,

This question concerns 16 C.F.R. Section 802.2(c)(1) regarding the exemption of unproductive real property from the HSR Act. Subject to certain specified qualifications, "unproductive real property" is defined as "any real property, including raw land, structures or other improvements (but excluding equipment), associated production and exploration assets as defined in S.802.3(c), natural resources and assets incidental to the ownership of the real property, that has not generated total revenues in excess of \$5 million during the thirty-six (36) months preceding the acquisition."

I'm currently reviewing an acquisition in which various real properties will be acquired from separate entities, which are controlled by a common ultimate parent entity. For purposes of determining if the greater than \$5 million threshold under Section 802.2(c)(1) is met, is it necessary to aggregate the revenues of all of the real properties held by the acquired person, i.e., the common ultimate parent entity, in the acquisition or is each real property valued individually to determine whether or not it individually meets the threshold?

Any guidance that you may be able to offer would be appreciated.

Best regards,



CONTIGUOUS PROPERTIES MUST
BE AGGREGATED.
B. Michael
4/18/06

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