

802.2(d)

June 28, 2006

VIA EMAIL

Mr. Michael Verne  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
7th & Pennsylvania Avenue, NW  
Washington, DC 20580

Re: Acquisition of Time Share  
Corporation

Dear Mike:

I write to memorialize our conversation of June 8, 2006, regarding the applicability of 16 C.F.R. § 802.2, in conjunction with 16 C.F.R. § 802.4, to the acquisition of the voting securities of a company engaged in the sale of time shares and the development of residential real estate ("Target").

As we discussed, Target has two operating divisions – a "Resorts Division" and a "Communities Division." The Resorts Division acquires, develops, and markets vacation ownership interests, commonly known as time shares. The Communities Division acquires, develops and subdivides property, which it then markets as residential land home sites.

You indicated that informal interpretation number 9609009, in which the Premerger Notification Office ("PNO") concluded that the acquisition of a time share corporation was exempt pursuant to § 802.2 reflected the PNO's current position with respect to the acquisition of a time share corporation. You concluded that the assets of the Resorts Division were therefore exempt. You also stated that § 802.2(d) would exempt the acquisition of the assets of the Communities Division.


We also reviewed the various classes of assets held by the Target, which include cash and cash equivalents, contracts receivable, notes receivable, retained interests in notes receivable, office equipment, furniture and fixtures, buildings, vehicles and equipment used in connection with the Resorts and Communities Divisions. You agreed that the acquisition of these assets would be

Mr. Micahel Verne

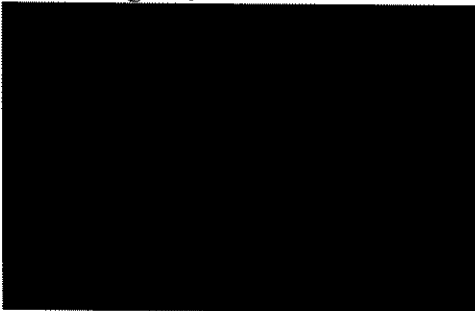


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exempt, either as incidental to the ownership of a hotel or motel (under § 802.2(e)) in the case of the Resorts Division or as incidental to the ownership of residential property (under § 802.2(d)) in the case of the Communities Division.<sup>1</sup>

If this does not accurately reflect the PNO's position on this transaction or your understanding of our conversation, please contact me as soon as possible at 

Best regards,



AGREE -  
Buchholz  
6/28/06

<sup>1</sup> Although not discussed, the Communities Division also holds golf course property. This is exempt recreational land pursuant to § 802.2(f).

