

7A(c)(1)

[REDACTED]

[REDACTED]

[REDACTED]

November 9, 1992

202/326-2050 *et.*

VIA TELECOPIER: [REDACTED]

Premier Notification Office  
Bureau of Competition  
Federal Trade Commission  
Sixth Street and Pennsylvania Avenue  
Washington, DC 20580

Attn: Mr. Richard Smith

Re: Section 18a(c)(1) Exemption for Acquisitions of Income-Producing Real Estate by Real Estate Investment Trusts

Dear Mr. Smith:

We represent a relatively large [REDACTED] that is negotiating to purchase certain income producing [REDACTED] for a price that could exceed \$15 Million if certain contingencies occur. It is our understanding that since January 8, 1991, the Premier Notification Office of the Bureau of Competition of the Federal Trade Commission has taken the position that a bona fide existing real estate investment trust ("REIT") that operates in conformity with the rules required to qualify as a REIT under the Internal Revenue Code does not need to file a pre-merger notification under 15 U.S.C. § 18a with respect to an acquisition of income-producing [REDACTED] because such an acquisition is regarded as an acquisition of goods or realty in the ordinary course of business and thus is exempt from such requirement under Section 18(a)(c)(1). Although we have been able to find no such policy that has been published, we have been able to obtain certain letters from various sources that indicate that this is your present policy. We would appreciate your advising us promptly if we have not accurately summarized the position of the Premier Notification Office. We expect to rely on this position unless we become aware that the position of your office has changed or there is a change in the law set forth in published regulations.

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As we discussed in our telephone conversation, the REIT that we represent (the "Company") owns a portfolio consisting primarily of neighborhood and community shopping centers, its shares are publicly traded on the New York Stock Exchange and it meets the requirements for REITS under Sections 856-860 of the Code. The transaction presently under contract negotiation will allow the Company to acquire the other [redacted] that are not presently owned by the Company and to acquire the fee interest in the other portion of the [redacted] it presently [redacted] pursuant to a long-term [redacted]. The Company has been the property manager of [redacted] since the inception of the [redacted] and the inception of the joint venture, respectively.

I would appreciate your calling me collect at the above number if this letter accurately sets forth your policy regarding this matter.

Thank you for your attention and cooperation.

Very truly yours,

[redacted signature block]

11/9/92 - Advised [redacted] by phone that the letter accurately reflected the present portion of the PNO regarding purchases by REITS and that the proposed transaction would be exempt under 67A(c)(6) of the HSR Act.  
P. B. Smith