

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

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Date:
July 08, 2010

Legend

Company =

Operating
Partnership =

Date 1 =

Date 2 =

Date 3 =

X =

Y =

Z =

XX =

Dear :

This letter responds to your May 14, 2010 request for rulings as to the federal income tax consequences of the Proposed Distribution (as defined below) under sections 301 and 305 of the Internal Revenue Code. The information received in that request is summarized below.

The rulings contained in this letter are based upon facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

Summary of Facts

Company is an accrual basis taxpayer that files Federal corporate income tax returns as a real estate investment trust (REIT) on a calendar year basis. Substantially all of Company's business activity is conducted through Operating Partnership. Company regularly distributes at least 100% of its taxable income for each taxable year in order to comply with section 857(a)(1). Thus, since its formation, Company has distributed all of its taxable income for each taxable year.

Company has one class of common stock (the "Common Stock") outstanding, which is not publicly traded on an established securities market. The price of a share of the Common Stock is typically set by Company's board of directors. As of Date 1, Company had X shares of Common Stock issued and outstanding, held by a total of Y shareholders (with no single shareholder owning more than Z% of the Common Stock).

Company has entered into an agreement with an unrelated third party pursuant to which it and Operating Partnership will transfer certain assets to the third party for specified consideration (Transfer). Following the date of the Transfer, and in no event later than Date 2, Company will declare a dividend in the amount of approximately \$XX, payable to stockholders of record as of the date of the declaration (Proposed Distribution). The dividend is expected to be paid no later than Date 3.

Company represents that the Proposed Distribution will meet all of the requirements of Section 3.02 of Rev. Proc. 2010-12, 2010-3 I.R.B. 302, except that its stock is not publicly traded on an established securities market.

Rulings

Based solely on the information provided and the representations made, we rule as follows:

- (1) Any and all of the cash and stock distributed in the Proposed Distribution by Company will be treated as a distribution of property with respect to its stock to which section 301 applies (Sections 301 and 305(b); Rev. Proc. 2010-12).
- (2) The amount of the distribution of the stock received by any shareholder as part of the Proposed Distribution will be considered to equal the amount of the money which the stockholder could have received instead (§ 1.305-1(b)(2); Rev. Proc. 2010-12).

Caveats

We express no opinion about the tax treatment of the Proposed Distribution under other provisions of the Code and regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Proposed Distribution that is not specifically covered by the above rulings. In particular, no opinion is expressed with regard to whether Company qualifies as a REIT for Federal income tax purposes. Furthermore, no opinion is expressed as to the reasonableness of Company's stock valuation method or as to the Federal income tax consequences of the Transfer.

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling. In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Debra L. Carlisle

Debra L. Carlisle
Chief, Branch 5
Office of Associate Chief Counsel
(Corporate)