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Legend

Parent =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Sub 10 =

Sub 11 =

DRE1 =

DRE 2 =

DRE 3 =

DRE 4 =

DRE 5 =

DRE 6 =

State A =

Country A =

Country B =

Business A =

Business B =

Business C =

a =

b =

Year =

Dear :

This letter responds to your request, dated March 4, 2011, submitted by your authorized representative on behalf of Parent and its affiliates, for rulings on certain federal income tax consequences of a series of transactions (collectively, the "Completed and Proposed Transactions"). The information submitted in that request and subsequent correspondence is summarized below.

SUMMARY OF FACTS

Parent is a publicly traded domestic corporation, incorporated in State A. Parent, an accrual method taxpayer, is a holding company and the common parent of a consolidated group.

Parent owns all of the issued and outstanding stock of Sub 1, an entity incorporated in State A. Sub 1 is engaged in Business A. It is anticipated that Parent will sell Sub 1 prior to the Distribution (as defined below).

Parent owns all of the issued and outstanding stock of Sub 2, an entity incorporated in State A. Sub 2 owns all of the issued and outstanding stock of Sub 6 and Sub 7, which are both incorporated in State A. Sub 7 is engaged in Business B.

Parent owns all of the issued and outstanding interests in DRE 1, a domestic entity disregarded as an entity separate from its owner for U.S. federal tax purposes. DRE 1 owns all of the issued and outstanding stock of Sub 8, an entity incorporated in State A. Sub 8 is engaged in Business C. DRE 1 also owns all of the issued and outstanding interests of DRE 2, a domestic entity disregarded as an entity separate from its owner for U.S. federal tax purposes. DRE 2 owns all of the issued and outstanding interests in DRE 3, a domestic entity disregarded as an entity separate from its owner for U.S. federal tax purposes.

Parent also owns all of the issued and outstanding stock of Sub 3, an entity incorporated in State A; Sub 4, an entity incorporated in Country A that is a controlled foreign corporation ("CFC") within the meaning of § 957(a); and Sub 5, an entity incorporated in Country B that is a CFC within the meaning of § 957(a).

Following the Completed and Proposed Transactions, it is anticipated that Parent will continue to conduct Business B through its subsidiaries, and Sub 10 (after its conversion from DRE 1 pursuant to step 5, below) will conduct Business C through its subsidiaries.

Before completion of the Proposed Transaction, Parent and Sub 10 (or DRE 1) will enter into agreements that will govern the allocation of various items, including tax benefits and liabilities, economically attributable to taxable periods ending before or beginning before and ending on or after the date of the Distribution and become fixed and ascertainable after that date. In addition, Parent and Sub 10 (or DRE 1) will enter into a customary transition services agreement pursuant to which the Parent group and the Sub 10 group may provide various administrative and similar services to each other for transitional periods. The two groups will compensate each other for any services so provided on an arm's length basis, including reimbursement of costs as appropriate.

Parent and its affiliates propose to enter into the following transactions to separate Business B and Business C:

COMPLETED TRANSACTION

1. DRE 3 elected to be treated as an association taxable as a corporation for U.S. federal tax purposes under § 301.7701-3. DRE 3, following such election, is referred to herein as Sub 9. This step of the transaction will be referred to as the "Sub 9 Incorporation".

PROPOSED TRANSACTION

2. Parent will contribute all of the stock of Sub 4 and Sub 5 and any other assets associated with Business C to DRE 1, and DRE 1 will assume from Parent any liabilities associated with Business C. Certain of the asset transfers or liability assumptions may occur after the conversion of DRE 1 to Sub 10 in step 5, below.

3. Sub 6 will convert under State A law to a limited liability company, will be treated as an entity disregarded as an entity separate from its owner for U.S. federal tax purposes, and will be known thereafter as DRE 4. This step of the transaction will be referred to as "Liquidation 1".

4. Sub 2 will convert under State A law to a limited liability company, will be treated as an entity disregarded as an entity separate from its owner for U.S. federal tax purposes, and will be known thereafter as DRE 5. This step of the transaction will be referred to as "Liquidation 2".

5. DRE 1 will convert under State A law to a corporation and be known as Sub 10. Sub 10 will be an accrual method taxpayer.

6. Sub 3 maintains a short-term intercompany account with Parent. As part of the Proposed Transaction, Parent will contribute the Sub 3 receivable to Sub 3.

7. Parent will contribute all of the stock of Sub 3 to Sub 10 in exchange for additional shares of Sub 10 stock, immediately after which Sub 3 will convert under State A law to a limited liability company, will be treated as an entity disregarded as an entity separate from its owner for U.S. federal tax purposes, and will be known thereafter as DRE 6. This step of the transaction will be referred to as the "Sub 3 Reorganization".

8. Sub 10 will issue additional shares to Parent in order for the total outstanding shares of Sub 10 to be equal to the number of shares to be distributed in the Distribution.

9. Sub 10 will borrow approximately $ a to $ b from a third-party lender pursuant to a short term note (the "Short-Term Debt") and distribute the cash to Parent. Parent will guarantee Sub 10's obligations under the Short-Term Debt (the "Guarantee") in exchange for an arm's length guarantee fee. The asset transfers and liability assumptions that occur after the conversion of DRE 1, as described in step 2, above, steps 5 and 8, above, and this step, other than the guarantee fee, will be referred to collectively as the "Contribution".

10. Parent will distribute the stock of Sub 10 pro rata to Parent's shareholders. This step of the transaction will be referred to as the "Distribution". Parent will not distribute fractional shares of Sub 10 stock in the Distribution, but will transfer any such interest on behalf of the Parent shareholders to a distribution agent. The distribution agent will aggregate fractional shares of Sub 10 stock into whole shares and sell the whole shares on the open market at prevailing market prices. The distribution agent will then distribute the aggregate cash proceeds, net of brokerage fees and other costs, pro rata to each Distributing shareholder who would otherwise have been entitled to receive a fractional share of Sub 10 stock in the Distribution.

11. Immediately after the closing of the Distribution, Sub 10 will refinance the Short-Term Debt with a long-term third-party credit facility, and the Guarantee will expire.

12. Parent will form a new corporation under State A law ("Newco"), and Newco will merge with and into Parent, with Parent surviving. As a result of the merger, Parent will change its name to Sub 11.

13. Parent will transfer the cash received from Sub 10 to its creditors in repayment of outstanding debt.

REPRESENTATIONS

Sub 9 Incorporation

A. No stock or securities were issued for services rendered to or for the benefit of Sub 9 in connection with the Sub 9 Incorporation.

B. No stock or securities were issued for indebtedness of Sub 9 that is not evidenced by a security or for interest on indebtedness of Sub 9 that accrued on or after the beginning of the holding period of Parent for the debt.

C. To the extent that any patents, patent applications, or technical “know-how” were transferred in the Sub 9 Incorporation, such items qualified as “property” within the meaning of § 351, and Parent transferred all substantial rights in such patents or patent applications within the meaning of § 1235.

D. To the extent that any copyrights were transferred in the Sub 9 Incorporation, all rights, title, and interests for each copyright, in each medium of exploitation, were transferred to Sub 9.

E. To the extent that franchises, trademarks, or trade names were transferred in the Sub 9 Incorporation, Parent did not retain any significant power, right, or continuing interest, within the meaning of § 1253(b), in the franchises, trademarks, or trade names.

F. None of the stock transferred in the Sub 9 Incorporation was “section 306 stock” within the meaning of § 306(c).

G. The transfer is not the result of the solicitation by a promoter, broker, or investment house.

H. Parent did not retain any rights in the property transferred to Sub 9.

I. The value of the stock received in exchange for accounts receivable was equal to the net value of the accounts transferred, i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

J. The adjusted basis of the property transferred by Parent to Sub 9 equaled or exceeded the sum of the liabilities assumed (within the meaning of § 357(d)) by Sub 9.

K. The total fair market value of the assets transferred to Sub 9 in the Sub 9 Incorporation exceeded the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Sub 9 in the exchange, (ii) the amount of any liabilities owed to Sub 9 by Parent that were discharged or extinguished in connection with the exchange, and (iii) the amount of cash and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by Parent in the exchange. The fair market value of the assets of Sub 9 exceeded the amount of its liabilities immediately after the Sub 9 Incorporation.

L. The liabilities of Parent assumed (within the meaning of § 357(d)) by Sub 9 were incurred in the ordinary course of business and were associated with the assets transferred.

M. The aggregate fair market value of the property transferred by Parent to Sub 9 equaled or exceeded Parent's aggregate adjusted basis in such property.

N. No investment tax credit determined under § 46 has been, or will be, claimed for any property that was transferred by Parent to Sub 9 pursuant to the Sub 9 Incorporation.

O. There is no indebtedness between Sub 9 and Parent and there was no indebtedness created in favor of Parent as a result of the Sub 9 Incorporation.

P. Except for Parent's contribution of Sub 9 to Sub 10 in step 5, above, there is no plan or intention on the part of Parent to dispose of any of the Sub 9 stock received in the Sub 9 Incorporation.

Q. There is no plan or intention on the part of Sub 9 to redeem or otherwise reacquire any stock issued in the Sub 9 Incorporation.

R. Taking into account any issuance, deemed or otherwise, of additional shares of Sub 9 stock; any issuance of stock for services; the exercise of any Sub 9 stock rights, warrants, or subscriptions; a public offering of Sub 9 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of Sub 9 received in the Sub 9 Incorporation, Parent will be in "control" of Sub 9 within the meaning of § 368(c).

S. There is no plan or intention by Sub 9 to dispose of the transferred property other than in the normal course of business operations.

T. Sub 9 will remain in existence and will retain and use the property transferred to it in a trade or business.

U. Except for expenses that are "solely and directly related" (within the meaning of Rev. Rul. 73-54, 1973-1 C.B. 187) to the Sub 9 Incorporation, all of which will be paid by Parent, each of the parties to the Sub 9 Incorporation will pay its own expenses, if any, incurred in connection with the Sub 9 Incorporation.

V. Sub 9 is not an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

W. Parent is not under the jurisdiction of a court in a Title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock deemed received in the exchange is not to be used to satisfy the indebtedness of such debtor.

X. Sub 9 will not be a "personal service corporation" within the meaning of § 269A.

Liquidation 1

A. Sub 2, on the date of the adoption of the plan of conversion of Sub 6 (the "Sub 6 Conversion Plan Date"), and at all times until Liquidation 1 is completed, will own 100 percent of the single outstanding class of Sub 6 stock.

B. No shares of Sub 6 stock will have been redeemed during the three years preceding the Sub 6 Conversion Plan Date.

C. Sub 6 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the Sub 6 Conversion Plan Date.

D. No assets of Sub 6 have been, or will be, disposed of by either Sub 6 or Sub 2, except for (i) dispositions in the ordinary course of business, (ii) dispositions occurring more than three years prior to the Sub 6 Conversion Plan Date, and (iii) dispositions pursuant to the Proposed Transaction.

E. The liquidation of Sub 6 will not be preceded or followed by the reincorporation, transfer, or sale by Sub 2 of all or a part of the business assets of Sub 6 to another corporation (i) that is the alter ego of Sub 6 and (ii) that, directly or indirectly, will be owned more than 20 percent in value by persons holding directly or indirectly more than 20 percent in value of the stock of Sub 6. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of § 318(a), as modified by § 304(c)(3).

F. Prior to the Sub 6 Conversion Plan Date, no assets of Sub 6 will have been distributed in kind, transferred, or sold to Sub 2, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to the Sub 6 Conversion Plan Date.

G. Sub 6 will report all earned income represented by assets that will be distributed to Sub 2, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

H. The fair market value of the assets of Sub 6 will exceed its liabilities both at the Sub 6 Conversion Plan Date and immediately prior to the effective time of Liquidation 1.

I. There is no intercorporate debt existing between Sub 6 and Sub 2 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the Sub 6 Conversion Plan Date.

J. Sub 2 is not an organization that is exempt from U.S. federal income tax under § 501 or any other provision of the Code.

K. All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, Liquidation 1 have been fully disclosed.

Liquidation 2

A. Parent, on the date of adoption of the plan of conversion (the "Sub 2 Conversion Plan Date), and at all times until Liquidation 2 is completed, will own 100 percent of the single outstanding class of Sub 2 stock.

B. No shares of Sub 2 stock will have been redeemed during the three years preceding the Sub 2 Conversion Plan Date.

C. Sub 2 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the Sub 2 Conversion Plan Date.

D. No assets of Sub 2 have been, or will be, disposed of by either Sub 2 or Parent, except for (i) dispositions in the ordinary course of business, (ii) dispositions occurring more than three years prior to the Sub 2 Conversion Plan Date, and (iii) dispositions pursuant to the Proposed Transaction.

E. The liquidation of Sub 2 will not be preceded or followed by the reincorporation, transfer, or sale by Parent of all or a part of the business assets of Sub 2 to another corporation (i) that is the alter ego of Sub 2 and (ii) that, directly or indirectly, will be owned more than 20 percent in value by persons holding directly or indirectly more than 20 percent in value of the stock of Sub 2. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of § 318(a), as modified by § 304(c)(3).

F. Prior to the Sub 2 Conversion Plan Date, no assets of Sub 2 will have been distributed in kind, transferred, or sold to Parent, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to the Sub 2 Conversion Plan Date.

G. Sub 2 will report all earned income represented by assets that will be distributed to Parent, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

H. The fair market value of the assets of Sub 2 will exceed its liabilities both at the Sub 2 Conversion Plan Date and immediately prior to the effective time of Liquidation 2.

I. There is no intercorporate debt existing between Sub 2 and Parent and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the Sub 2 Conversion Plan Date and a long-term note payable (the basis and issue price of which are the same) from Sub 2 to Parent arising in Year in connection with Parent's acquisition of certain Business B assets from a third party.

J. Parent is not an organization that is exempt from U.S. federal income tax under § 501 or any other provision of the Code.

K. All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, Liquidation 2 have been fully disclosed.

Sub 3 Reorganization

A. The fair market value of the Sub 10 stock received by Parent in the Sub 3 Reorganization will be approximately equal to the fair market value of the Sub 3 stock surrendered in the exchange.

B. Sub 10 will acquire at least 90 percent of the fair market value of the net assets and at least 70 percent of the fair market value of the gross assets held by Sub 3 immediately prior to the Sub 3 Reorganization. For purposes of this representation, amounts used by Sub 3 to pay its reorganization expenses and all redemptions and distributions (except for regular, normal dividends) made by Sub 3 immediately preceding the Sub 3 Reorganization were included as assets of Sub 3 held immediately prior to the Sub 3 Reorganization.

C. At least 40 percent of the proprietary interest in Sub 3 will be exchanged for stock of Sub 10 and will be preserved (within the meaning of § 1.368-1(e)).

D. There is no plan or intention for Sub 10, or any person related (as defined in § 1.368-1(e)(4)) to Sub 10, to acquire or redeem any Sub 10 stock issued or deemed issued in the Sub 3 Reorganization, either directly or through any transaction, agreement, or other arrangement with any other person.

E. There is no plan or intention by Parent to sell, exchange, or otherwise dispose of any shares of Sub 10 stock, except pursuant to the Distribution.

F. Sub 10 has no plan or intention to sell or otherwise dispose of any of the assets of Sub 3 acquired in the Sub 3 Reorganization, except for dispositions made in the ordinary course of business.

G. The liabilities of Sub 3 assumed (within the meaning of § 357(d)) by Sub 10 in the Sub 3 Reorganization will have been incurred by Sub 3 in the ordinary course of its business and will be associated with the assets transferred.

H. Following the Sub 3 Reorganization, Sub 10 will continue the historic business of Sub 3 or use a significant portion of Sub 3's historic business assets in a business.

I. Except for expenses that are "solely and directly related" (within the meaning of Rev. Rul. 73-54) to the Sub 3 Reorganization, all of which will be paid by Parent, each of the parties to the Sub 3 Reorganization will pay its own expenses, if any, incurred in connection with the Sub 3 Reorganization.

J. At the time of the Sub 3 Reorganization, no intercorporate indebtedness will exist between Sub 10 and Sub 3 that will have been issued, acquired, or settled at a discount.

K. No two parties to the Sub 3 Reorganization are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

L. The total fair market value of the assets transferred to Sub 10 in the Sub 3 Reorganization will exceed the sum of (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Sub 10 in the exchange, (ii) the amount of any liabilities owed to Sub 10 by Sub 3 that are discharged or extinguished in connection with the exchange, and (iii) the amount of any cash and the fair market value of any other property (other than the stock permitted to be received under § 361(a) without the recognition of gain) received by Sub 3 in the exchange. The fair market value of the assets of Sub 10 will exceed the amount of Sub 10's liabilities immediately after the Sub 3 Reorganization.

M. Sub 3 is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

N. No property, other than the shares of Sub 10 voting stock, will be issued by Sub 10 to Sub 3 as consideration with respect to the Sub 3 Reorganization.

Contribution and Distribution

A. The total adjusted basis of the assets transferred to Sub 10 by Parent in the Contribution will equal or exceed the sum of (i) any liabilities assumed (within the meaning of § 357(d)) by Sub 10 and (ii) the total amount of money and the fair market value of any other property (within the meaning of § 361(b)) received by Parent from Sub 10 and transferred to Parent's shareholders or creditors pursuant to the plan of reorganization.

B. The total fair market value of the assets transferred to Sub 10 in the Contribution will exceed the sum of (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Sub 10 in the exchange, (ii) the amount of any liabilities owed to Sub 10 by Parent that are discharged or extinguished in connection with the exchange, and (iii) the amount of cash and the fair market value of any other property (other than stock permitted to be received under § 361(a) without recognition of gain) received by Parent in the exchange. The fair market value of the assets of Sub 10 will exceed the amount of Sub 10's liabilities immediately after the Contribution.

C. Any liabilities assumed (within the meaning of § 357(d)) by Sub 10 in the Contribution will have been incurred in the ordinary course of business and will be associated with the assets transferred.

D. No investment tax credit determined under § 46 has been, or will be, claimed for any property that will be transferred by Parent to Sub 10 pursuant to the Contribution.

E. No part of the consideration to be distributed by Parent in the Distribution will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Parent.

F. Except for expenses that are "solely and directly related" (within the meaning of Rev. Rul. 73-54) to the Distribution, all of which will be paid by Parent, each of the parties to the Distribution will pay its own expenses, if any, incurred in connection with the Distribution.

G. The five years of financial information submitted on behalf of Business B conducted by the Parent separate affiliated group (within the meaning of § 355(b)(3)(B)) ("Parent SAG") is representative of the present business operations of Business B conducted by the Parent SAG, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

H. The five years of financial information submitted on behalf of Business C conducted by the Parent SAG is representative of the present business operations of Business C conducted by the Parent SAG, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

I. Neither Business B nor control of any entity conducting this business was acquired during the five-year period ending on the date of the Distribution in a transaction in which gain or loss was recognized (or treated as recognized under proposed § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Distribution, the Parent SAG has been the principal owner of the goodwill and significant assets of Business B. The Parent SAG will be the principal owner of the goodwill and significant assets of Business B following the distribution.

J. Neither Business C nor control of an entity conducting this business was acquired during the five-year period ending on the date of the Distribution in a transaction in which gain or loss was recognized (or treated as recognized under proposed § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Distribution, the Parent SAG has been the principal owner of the goodwill and significant assets of Business C. The Sub 10 SAG will be the principal owner of the goodwill and significant assets of Business C following the Distribution.

K. Following the Proposed Transaction, the Parent SAG will continue the active conduct of Business B, independently and with its separate employees.

L. Following the Proposed Transaction, the Sub 10 SAG will continue the active conduct of Business C, independently and with its separate employees.

M. The Distribution is not being used principally as a device for the distribution of the earnings and profits of Parent or Sub 10 or both.

N. The Distribution is being carried out to enable (i) Parent and Sub 10 each to adopt a capital structure appropriate to its business to facilitate growth and acquisitions, (ii) the separate management teams and boards of directors of Parent and Sub 10 to focus on the unique needs of the particular business, thereby enabling more effective decision-making, and (iii) Parent and Sub 10 each to use its stock for incentive compensation to recruit and retain key employees. The Distribution is motivated, in whole or substantial part, by one or more of these corporate business purposes.

O. No intercorporate indebtedness will exist between Parent and Sub 10 at the time of, or subsequent to, the Distribution, other than indebtedness that might

arise in connection with the Parent group's and the Sub 10 group's continued dealings with each other through shared services and similar agreements.

P. Payments made in connection with all continuing transactions, if any, between Parent and Sub 10 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

Q. No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

R. For purposes of § 355(d), immediately after the Distribution, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Parent stock entitled to vote or 50 percent or more of the total value of shares of all classes of Parent stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distribution.

S. For purposes of § 355(d), immediately after the Distribution, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Sub 10 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Sub 10 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distribution or (ii) attributable to distributions on Parent stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distribution.

T. The Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Parent or Sub 10 (including any predecessor or successor of Parent or Sub 10).

U. Immediately after the transaction (taking into account § 355(g)(4)), either (i) no person will hold a 50-percent or greater interest (within the meaning of § 355(g)) in the stock of Parent or Sub 10, who did not hold such an interest immediately before the Distribution, or (ii) neither Parent nor Sub 10 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

V. Immediately before the Distribution, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, Parent's excess loss account, if any, with

respect to its shares of Sub 10 stock, or any direct or indirect subsidiaries of Sub 10, will be included in income immediately before the Distribution.

W. There are no continuing, planned, or intended transactions between Parent and Sub 10 following the Proposed Transaction, either directly or indirectly, other than agreements that will govern the allocation of various items, including tax benefits and liabilities and services to be provided for a short-term period pursuant to a customary transition services agreement.

X. Payments made in connection with all continuing transactions, if any, between Parent and Sub 10 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

Y. The receipt by Parent shareholders of cash in lieu of fractional shares of Sub 10 stock resulting from the open market sale of the fractional shares has been arranged solely for the purpose of avoiding the expense and inconvenience to Parent and Sub 10 of issuing fractional shares and does not represent separately bargained-for consideration. It is intended that the total cash consideration received by the shareholders of Parent from the open market sale of their fractional shares will not exceed one percent of the total consideration that will be distributed in the Distribution. It is also intended that no Parent shareholder will receive cash in an amount equal to or greater than the value of one full share of Sub 10 common stock.

Z. The amount of Parent debt to be paid by Parent with cash received from Sub 10 in step 9, above, will not exceed the weighted quarterly average of the Parent debt owed to third parties for the 12-month period ending on the close of business on the last full business day before the date on which the Parent Board of Directors initially discussed the potential separation of Sub 10 from Parent.

RULINGS

Sub 9 Incorporation

1. For U.S. federal income tax purposes, the Sub 9 Incorporation will be treated as if Parent contributed all of the assets and liabilities of DRE 3 to Sub 9 in exchange for stock of Sub 9.

2. Parent will not recognize any gain or loss on the Sub 9 Incorporation (§§ 351(a) and 357(a)).

3. Sub 9 will not recognize any gain or loss on the deemed receipt of assets in exchange for its stock in the Sub 9 Incorporation (§ 1032(a)).

4. The basis of each asset deemed received by Sub 9 will be the same as the basis of such asset in the hands of Parent immediately prior to the Sub 9 Incorporation (§ 362(a)).

5. The basis of the stock deemed received by Parent in the Sub 9 Incorporation will be the same as the basis of the assets deemed transferred by Parent to Sub 9, decreased by the sum of liabilities assumed by Sub 9 (§ 358(a) and (d)).

6. Parent's holding period in the Sub 9 stock deemed received in the Sub 9 Incorporation will include the holding period of the Sub 9 assets deemed transferred in exchange therefor, provided that such assets are held by Parent as capital assets on the date of the transfer (§ 1223(1)).

7. Sub 9's holding period in each asset deemed received in the Sub 9 Incorporation will include the period during which Parent held such asset (§ 1223(2)).

Liquidation 1

1. For U.S. federal income tax purposes, Liquidation 1 will be treated as if Sub 6 distributed all of its assets and liabilities to Sub 2 in complete liquidation of Sub 6 under § 332.

2. No gain or loss will be recognized by Sub 2 on the deemed receipt of all of the assets and assumption of the liabilities of Sub 6 in Liquidation 1 (§ 332(a)).

3. No gain or loss will be recognized by Sub 6 on the deemed distribution of its assets and liabilities to Sub 2 in Liquidation 1 (§ 337(a)).

4. Sub 2's basis in each asset deemed received from Sub 6 in Liquidation 1 will equal the basis of such asset in the hands of Sub 6 immediately before Liquidation 1 (§ 334(b)(1)).

5. Sub 2's holding period in each asset deemed received from Sub 6 in Liquidation 1 will include the period during which such asset was held by Sub 6 (§ 1223(2)).

6. Sub 2 will succeed to and take into account the items of Sub 6 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder (§ 381(a) and §1.381(a)-1).

7. Except to the extent Sub 6's earnings and profits are reflected in Sub 2's earnings and profits, Sub 2 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 6 as of the date of

Liquidation 1 (§ 381(c)(2)(A), and §§ 1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in the earnings and profits of Sub 6 can be used only to offset earnings and profits accumulated after the date of Liquidation 1 (§ 381(c)(2)(B)).

Liquidation 2

1. For U.S. federal income tax purposes, Liquidation 2 will be treated as if Sub 2 distributed all of its assets and liabilities to Parent in complete liquidation of Sub 2 under § 332.

2. No gain or loss will be recognized by Parent on the deemed receipt of all of the assets and assumption of the liabilities of Sub 2 in Liquidation 2 (§ 332(a)).

3. No gain or loss will be recognized by Sub 2 on the deemed distribution of its assets and liabilities to Parent in Liquidation 2 (§ 337(a)).

4. Parent's basis in each asset deemed received from Sub 2 in Liquidation 2 will equal the basis of such asset in the hands of Sub 2 immediately before Liquidation 2 (§ 334(b)(1)).

5. Parent's holding period in each asset deemed received from Sub 2 in Liquidation 2 will include the period during which such asset was held by Sub 2 (§ 1223(2)).

6. Parent will succeed to and take into account the items of Sub 2 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder (§ 381(a) and § 1.381(a)-1).

7. Except to the extent Sub 2's earnings and profits are reflected in Parent's earnings and profits, Parent will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 2 as of the date of Liquidation 2 (§ 381(c)(2)(A) and §§ 1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in the earnings and profits of Sub 2 can be used only to offset earnings and profits accumulated after the date of Liquidation 2 (§ 381(c)(2)(B)).

Sub 3 Reorganization

1. For U.S. federal income tax purposes, the transfer by Parent of all of the stock of Sub 3 to Sub 10 in exchange for Sub 10 stock followed by Sub 3's conversion to DRE 6 (i.e., the Sub 3 Reorganization) will be treated as the transfer by Sub 3 of all of its assets to Sub 10 in exchange for Sub 10 stock and the assumption of liabilities, followed by Sub 3's deemed distribution of Sub 10 stock to Parent in complete liquidation of Sub 3.

2. The Sub 3 Reorganization will qualify as a reorganization under § 368(a)(1)(C). Sub 3 and Sub 10 each will be a "party to a reorganization" within the meaning of § 368(b).

3. No gain or loss will be recognized by Sub 3 on the deemed transfer of all of its assets to Sub 10 in exchange for Sub 10 stock and Sub 10's deemed assumption of Sub 3's liabilities in the Sub 3 Reorganization (§§ 357(a) and 361(a)).

4. No gain or loss will be recognized by Sub 10 on its deemed receipt of all of Sub 3's assets in exchange for Sub 10 stock and Sub 10's deemed assumption of Sub 3's liabilities in the Sub 3 Reorganization (§ 1032(a)).

5. No gain or loss will be recognized by Sub 3 on its deemed distribution of the Sub 10 stock received in the Sub 3 Reorganization (§ 361(c)).

6. The basis of each asset deemed received by Sub 10 in the Sub 3 Reorganization will equal the basis of such asset in the hands of Sub 3 immediately before the Sub 3 Reorganization (§ 362(b)).

7. The holding period of each asset deemed received by Sub 10 in the Sub 3 Reorganization will include the period during which Sub 3 held such asset (§ 1223(2)).

8. No gain or loss will be recognized by Parent on the exchange of its Sub 3 stock for Sub 10 stock in the Sub 3 Reorganization (§ 354(a)(1)).

9. The basis of the Sub 10 stock received by Parent will be the same as the basis of the Sub 3 stock surrendered in exchange therefor (§ 358(a)(1)).

10. The holding period of the Sub 10 stock received by Parent in the Sub 3 Reorganization will include the holding period of the Sub 3 stock surrendered in exchange therefor. (§ 1223(1)).

11. Sub 10 will succeed to and take into account the items of Sub 3 described in § 381(c), subject to the conditions and limitations specified in §§ 381,382, 383, and 384, and the regulations thereunder (§ 381(a) and § 1.381(a)-1).

12. Sub 10 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 3 as of the date of the Sub 3 Reorganization. (§ 381(c)(2)(A) and § 1.381(c)(2)-1)). Any deficit in the earnings and profits of Sub 3 can be used only to offset earnings and profits accumulated after the date of the Sub 3 Reorganization (§ 381(c)(2)(B)).

Contribution and Distribution

1. The guarantee fee to be paid by Sub 10 to Parent as described in step 9, above, is not considered a part of the Contribution or Distribution and any income or deduction pursuant to the guarantee fee will be taken into account under general income tax principles.

2. The Contribution, followed by the Distribution, will be a reorganization under § 368(a)(1)(D). Parent and Sub 10 each will be a "party to a reorganization" within the meaning of § 368(b).

3. No gain or loss will be recognized by Parent on the Contribution (§§ 357(a) and 361(a) and (b)).

4. No gain or loss will be recognized by Sub 10 on the Contribution (§ 1032(a)).

5. The basis of each asset received or deemed received by Sub 10 in the Contribution will equal the basis of such asset in the hands of Parent immediately before the Contribution (§ 362(b)).

6. The holding period of each asset received or deemed received by Sub 10 in the Contribution will include the period during which Parent held such asset (§ 1223(2)).

7. No gain or loss will be recognized by (and no amount will be included in the income of) the shareholders of Parent on their receipt of Sub 10 shares in the Distribution (§ 355(a)(1)).

8. No gain or loss will be recognized by Parent as a result of the Distribution (§ 361(c)).

9. The aggregate basis of the Parent shares and the Sub 10 shares in the hands of the shareholders of Parent after the Distribution will be the same as the basis of the Parent shares in the hands of the shareholders of Parent immediately before the Distribution (§ 358(a) and § 1.358-1(a)). Such basis will be allocated between the Parent shares and the Sub 10 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). (§ 358(a)(1), (b)(2), and (c)).

10. The holding period of the Sub 10 shares received by the shareholders of Parent in the Distribution will include the holding period of the Parent shares with respect to which the Distribution will be made, provided that such Parent shares are held as capital assets on the date of the Distribution (§ 1223(1)).

11. The receipt by Parent shareholders of cash in lieu of fractional shares of Sub 10 stock will be treated for U.S. federal income tax purposes as if the fractional shares had been distributed to the Parent shareholders as part of the Distribution and then had been disposed of by such shareholders for the amount of such cash in a sale or exchange. The gain (or loss), if any (determined using the basis allocated to the fractional shares in Contribution and Distribution Ruling 9 and the holding period attributed to the fractional shares in Contribution and Distribution Ruling 10), will be treated as a capital gain (or loss), provided the fractional share would be a capital asset in the hands of the selling shareholder (§ 1001).

12. As provided in § 312(h), proper allocation of earnings and profits between Parent and Sub 10 will be made under §§ 1.312-10(a) and 1.1502-33(e)(3).

13. Payments made by Parent to Sub 10, or vice versa, that (i) have arisen or will arise for a taxable period ending on or before the Distribution or for the taxable period beginning before and ending after the Distribution and (ii) will not have become fixed and ascertainable until after the Distribution will be treated as if occurring immediately before the Distribution (see Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84).

CAVEATS

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

In particular, we express no opinion regarding: (i) whether the Distribution satisfies the business purpose requirements of § 1.355-2(b); (ii) whether the Distribution is being used principally as a device for the distribution of the earnings and profits of Parent, Sub 10, or both (see § 355(a)(1)(B) and § 1.355-2(d); (iii) whether the transaction is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50 percent or greater interest in Parent or Sub 10 (see § 355(e) and § 1.355-7), and (iv) the U.S. federal tax consequences of step 12 of the Proposed Transaction.

PROCEDURAL STATEMENTS

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

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.

Sincerely,

_____

Ken Cohen
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel (Corporate)