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May 26, 1988

KIM A. ZEITLIN
SUSAN E. DORN

Mr. Otho Davis
Executive Director
NATA
c/o Philadelphia Eagles
Veterans Stadium
Patterson Avenue and Broad Street
Philadelphia, Pennsylvania 19148

File
NATA - Dallas Building

Dear Otho:

In accordance with our discussion, enclosed is a summary of our position which will be presented at the meeting tentatively scheduled for Saturday, May 28, 1988 in Dallas.

If this is acceptable to the Sellers, our next step will be your and my telephone review of the proposed contract on Wednesday or Thursday, June 1 or 2 at your convenience. If possible, an acceptable version should be signed by you by Thursday, June 2 and sent Federal Express to Dallas that evening to be signed by the Sellers on Friday, June 3. This date is important, for I have been told that Mrs. Diener will leave the country for the Summer on June 6.

I will speak further with you next week.

Very truly yours,

Kim

Kim A. Zeitlin

Enclosure

PROPOSAL

This Proposal is made by the National Athletic Trainers Association, Inc. ("NATA") to purchase the property generally known as 2952 Stemmons Freeway, Dallas, Texas 75247, including the 19,876 square foot two-story office building located thereon (the "Property"). The terms upon which NATA desires to purchase the Property are as follows:

1. Sellers. The owners of the Property (the "Sellers" herein) are as follows:

(a) As to the 39,082 square feet tract of land and the 11,000 square foot tract of land, Sam Szor, Ataloa Clark Diener (also known as Ann Diener), independent executrix of the estate of Paul Diener, deceased, and John Martin Davis, Jr., as trustee of The Paul Diener Marital Trust created under the Will of Paul Diener.

(b) As to the 7,943 square foot tract of land, S & D Properties, a partnership now composed of the parties listed in subparagraph (a) above.

2. Purchase Price. The purchase price shall be \$925,000.00 in cash, payable at closing.

3. Earnest Money. The earnest money shall be \$25,000.00 in cash, to be held by Hexter Fair Title Company, which will serve as the title company for this transaction. The earnest money shall be the sole remedy of the Sellers in the event of a default by NATA.

4. Title and Survey. The Sellers shall, at their expense, provide NATA with a title policy containing no exceptions other than those approved by NATA, and with a survey prepared by a surveyor approved by NATA and which is acceptable to the title company and NATA. The Property shall be conveyed by the Sellers to NATA by general warranty deed containing as exceptions to title only those matters approved by NATA.

5. Inspections. For a period of sixty (60) days after the complete execution and delivery of the purchase contract, NATA shall have the right to conduct such inspections of the Property as it deems appropriate. Should NATA be dissatisfied in any respect with the Property, NATA may terminate the purchase contract and receive back the earnest money.

6. Representations. The purchase contract shall contain representations of the Sellers as to their power and authority to enter into and perform the purchase contract, title to the Property, parties in possession, tenants, condemnation, compliance with laws (in particular, environmental laws), condition of the Property, access, zoning, restrictive covenants, utilities, litigation, ad valorem taxes, service contracts, and such other matters as are requested by NATA.

7. Conditions. The obligation of NATA to purchase the Property shall be conditioned upon (a) the representations of Sellers being true and correct, (b) the elimination of all tenancies and parties in possession (except for the lease to Sam Szor hereafter mentioned), (c) the approval of the board of directors of NATA at the board meeting to be held on or about June 10-12, 1988, (d) all requisite approval of the Probate Court as to the Estate of Paul Diener and of the Bankruptcy Court as to Szor-Diener Company, Inc., and (e) such other matters as NATA shall reasonably determine.

8. Closing. The closing of the sale and purchase shall take place fifteen (15) days after the later of (a) the expiration of the inspection period, together with any additional time necessary to cure discrepancies found during the inspection period, or (b) the date that all conditions to the obligations of NATA have been satisfied, provided, however, in no event shall the closing take place later than December 31, 1988, and if the closing has not taken place by such date, then NATA may terminate the purchase contract and receive back its earnest money.

9. Commissions. The Baldwin Company, REALTORS, Inc. shall be paid a commission of six percent (6%) of the purchase price at closing, conditioned upon the occurrence of closing. The Sellers shall pay one-half (1/2) of the commission, and NATA shall pay one-half (1/2) of the commission.

10. Lease. At the option of Sam Szor, exercisable not later than the date which is the expiration of the inspection period, Sam Szor shall have the right to lease approximately 10,000 square feet of the building situated on the Property from the closing date through December 31, 1988, at a rental of \$5.00 per square foot per year of space leased, payable in equal monthly installments on the first day of each month. Provided Sam Szor does not default under the month-to-month lease, he shall have the right to extend the lease for a period of three years from January 1, 1989 to December 31, 1991, at a rental of \$6.00 per square foot per year of space leased, payable in equal monthly installments in advance on the first day of each month. The lease shall provide that the tenant shall bear its allocable portion of all real estate taxes, insurance premiums, and maintenance expenses. The terms of both the month-to-month lease and the three-year extension shall be acceptable to NATA and Sam Szor, and must be agreed upon prior to the closing.

This is a proposal only, and shall not be binding upon NATA or Sellers or result in any liability to either of them. If the terms outlined herein are acceptable, NATA shall direct its attorney to prepare a definitive purchase agreement for execution by Sellers and NATA. Such purchase contract must be accepted by the Sellers not later than noon, Dallas, Texas time, on Monday, June 6, 1988.



National Athletic Trainers' Association, Inc.

1001 EAST FOURTH STREET • GREENVILLE, NORTH CAROLINA 27858 • (919) 752-1725

December 30, 1988

Dear Members:

It is my extreme pleasure to inform you that the National Athletic Trainers Association has just acquired a new headquarters building and will soon be relocating to Dallas, Texas. You will receive more information on the exact dates, etc. at a later time. For the present, and until you are informed otherwise, all business will continue to be coordinated from our Greenville, North Carolina operation. This memorandum is to summarize the work performed in acquiring the new national headquarters building.

During the course of selection of this property, the Board of Directors identified one dozen factors to be implemented. I am pleased to report that each of these factors has been addressed by the property which was recommended to the Board and which it approved. I will review these factors and the manner in which the needs of our Association and its membership are addressed through this purchase.

1. HOUSING THE NEEDS OF OUR OFFICE

Our acquisition of more than 20,000 square feet of space for offices, conference facilities and full communications capabilities will be able to house our Association and its growing needs well into the 21st Century.

On December 2, 1988, our Association completed the purchase of the building at 2952 Stemmons Freeway, Dallas, Texas. The building is two stories and contains approximately 21,824 square feet of space with the possibility of constructing an additional 2,000 square feet on the second floor. We are purchasing this building from the current owner and leasing back a portion of the space. In particular, our selection of 3-year renewals of our tenant will give us ample opportunity to expand our space while securing the advantages of a current tenant in the meantime.

2. EXCELLENT VALUE IN REAL ESTATE

One of the most important considerations which we applied in evaluating potential sites was the importance of using every dollar of Association funds devoted to the building in a cost-effective manner for our members. The Dallas real estate market is currently severely depressed due to factors including the low price of oil. For this reason real estate prices in general are low compared to other cities in America. At the same time we were able to negotiate a very favorable price per square foot compared to the market. Based on the most recent sales directly across Stemmons Freeway in buildings of comparable size but which were much older and in less favorable condition than our own, we were able to achieve an effective square foot price approximately 40% below the current low Dallas real estate market price. This reflects good real estate value.

3. EXPOSURE AND IMAGE

As our profession grows we are assuming greater prominence both in the health care field and in the eyes of the public generally. This building provides a very prominent exposure for the name of the Association. Over 220,000 cars and taxis (many carrying visitors to central Dallas from out-of-town) pass the site daily providing a powerful public presence.

4. CLOSE TO AIRPORTS

Our building was selected to provide immediate access to a major airport hub which services virtually all American cities within a three to four hour period, as well as substantial access to international flights to anticipate the growing international interest in our educational, certification and association activities. The building is within 25 minutes of one of the largest airports in the world serviced by approximately 600 flights and approximately 40 airlines daily. The building is situated midway between the Dallas/Fort Worth airport and downtown Dallas, with ready access to Love Field airport servicing the Southwest region and beyond.

5. HALL OF FAME

One important element of every profession is its tradition of service. Athletic training has a rich tradition to be honored and memorialized. Our space allows a portion of our building to be devoted to the Hall of Fame. Given the fact that the Hall of Fame is able to receive charitable contributions which are tax deductible (NATA, Inc. dues are not deductible as charitable contributions), this provides an important source of revenue for the construction and support for Hall of Fame activities as well as coverage of the NATA, Inc. building expenses if the Hall of Fame leases a portion of the space.

6. EFFICIENT TRANSITION AND GROWTH

A building in good condition requiring modest renovation and maximum use of budget to adapt to the NATA's function with an attractive clean modern look is a good use of Association funds. The headquarters building compares very favorably in this regard to other available buildings.

7. COST-EFFECTIVE OPERATIONS

One element of sound building management is the presence of cashflow to pay building expenses. A method of achieving this objective is to select a building with a tenant already in place who depends upon the location, and who is willing to pay market rent or better. By acquiring a building as a sale and lease-back to the current owner, and by negotiating favorable rents over a substantial period of time for a tenant who has an incentive to remain in place, the Association was able to cover presently a significant share of its expenses. Securing a present tenant to pay market rent or better can be difficult when there is excess real estate capacity, but we were able to do so in our negotiations.

8. RENTS COVERING THE PURCHASE PRICE OF THE BUILDING

Several Board members identified the positive features of securing a tenant whose minimum base rent obligation, if continued throughout the term of the lease, would exceed the purchase price of the building. This we have accomplished. Of course, there is never a guarantee that a tenant will remain. NATA may also wish to take further space for its own needs or for the Hall of Fame, thereby possibly diminishing available rents. But the concept of the purchase price being exceeded by rentals has been addressed in this purchase. This has been accomplished without taking any account of any interest on rents we receive, or pass-throughs paid by our tenant beyond the base rents for items such as taxes.

9. TAX-EXEMPT RENT

In most real estate transactions, rent is taxable as income (less expenses and depreciation). However, because the NATA, Inc. is a tax-exempt entity, this permits the rent from real estate purchases made solely from cash -- without a mortgage -- to be totally tax-exempt. For this reason, we have purchased this building for cash. In addition to the tax-exempt nature of the rent we receive, Association funds will not be devoted to paying interest to a bank throughout the course of our ownership, but can be devoted to other Association and member needs.

10. NOT DISRUPTIVE OF CURRENT ORGANIZATION OR FINANCIAL STRUCTURE

You may recall that the Association last year considered a property known as the Texas Sports Hall of Fame. There, the seller insisted that the property be purchased by the Hall of Fame as a charity to benefit the seller for tax reasons. However, since the Hall of Fame has very limited resources, this purchase would have required a major restructuring of the Association financial structure with major interest payments at a purchase price almost double that of the new headquarters building. By contrast, the new headquarters building maintains and does not disrupt the basic financial structure of our Association.

11. POSSIBILITY OF FUTURE DEVELOPMENT

Although the Dallas real estate market currently provides an excellent value for the purchase of real estate, the site we have selected is on one of the most important commercial highways in the entire U.S. With the development of the multi-billion dollar high speed particle accelerator facility near Dallas and the rapid increase in the air traffic at the Dallas/Fort Worth airport complex there is a reasonable possibility that the value of our building and the land on which it is located will appreciate, either for current occupancy or for development.

12. CONSISTENT WITH RESOURCES ON JUNE 1, 1988

When the Board of Directors determined to proceed with acquisition of this property, it took into account the financial resources available to the Association at the beginning of June this year. Since then, the staff has been successful in negotiating a multi-year contract with McNeil Laboratories to provide the Association with financial support of NATA activities in excess of \$1 million dollars. What is most important is that the Board made a conservative and prudent investment of a portion of the-then available resources in a sound manner by selecting a building of appropriate size for growth -- and buying that building for cash. The Association's resources are now diversified, and these extra resources are now available to service other member needs.

CONCLUSION

The acquisition by the Board of Directors of a property of this quality is a historic occasion in the life of the National Athletic Trainers' Association. I have experienced the highest level of teamwork through the members of our Board of Directors, our accountant Mr. Brooks McIntyre, and our general counsel Mr. Kim Zeitlin. It is through cooperative efforts like these that our Association will continue to have a bright and promising future. This accomplishment should be a source of pride for you and our entire membership as it is another giant step forward in the future of the NATA.

As we approach this future, may I extend my best wishes to you for a festive holiday season, and a peaceful New Year.

Sincerely,

John H. Davis