

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of
QWEST CORPORATION Regarding
the Sale and Transfer of Property

Docket No. UT-051281

QWEST CORPORATION'S PETITION FOR
APPROVAL OF AMENDED AGREEMENT
REGARDING TRANSFER AND SALE OF
1915 TERRY AVENUE BUILDING

1 Qwest Corporation ("Qwest"), by and through its undersigned counsel, hereby submits this petition for approval of an amended agreement regarding the permanent transfer and sale of the land and building located at 1915 Terry Avenue, Seattle, Washington, to BRCP/UNICO Terry Avenue, LLC. The Commission previously approved the transfer and sale of this property in this docket on September 28, 2006.

I. RELIEF REQUESTED

2 Qwest respectfully requests the Commission enter an order approving the Seventh Amendment to the sale and purchase agreement pursuant to Chapters 80.12 RCW and 480-143 WAC.¹

¹ This amendment is the "Seventh Amendment." The prior six all had to do with extensions of time on deadlines during the due diligence period and have not been submitted to the Commission. However, they are available if the Commission requires them.

II. DESCRIPTION OF THE TRANSACTION

3 The sale is comprised of a purchase agreement executed on August 12, 2005, ancillary agreements attached as exhibits to the purchase agreement, and the amendment that is the subject of this supplemental filing. The transaction is an arms length transaction, negotiated between unaffiliated parties, neither one being under a compulsion to buy or sell. Pursuant to WAC 480-143-120, a copy of the Seventh Amendment to the sale and purchase agreement is attached hereto as Confidential Exhibit A. A brief description of the transaction follows:

- Assets. This transaction involves the sale the land and building located at 1915 Terry Avenue, Seattle, Washington, including certain leases associated with the building, as well as certain intangible assets associated with the building. A complete legal description of the property is included in Exhibit A to the Sale and Purchase Agreement.
- Purchase Price. Contained in Confidential Exhibit A.
- Closing Date. The amended agreement states that closing will take place no later than December 30, 2006, or on an earlier date mutually agreed upon by the buyer and seller. There is a separate deadline for regulatory approval that requires Qwest to obtain Commission authorization to transfer the property within 90 days of the effective date of the agreement.

III. DISCUSSION

4 The most significant change to the agreement is that the purchase price has been reduced to reflect certain costs that the buyer will incur to convert the building to its planned use. In addition, the original purchaser has assigned the contract to a reorganized entity consisting of the same investors in different proportions, as the original purchaser. Exhibit B is a copy of the assignment. Qwest also advises the Commission that the Buyer will be changing its name prior to closing.

5 Attached as Exhibit C are copies of Qwest's most recent balance sheet and income statement as provided to the FCC in ARMIS reports filed September 9, 2005. To assist in the Commission's review of this matter, a copy of the proposed journal entries is attached as

Confidential Exhibit D. As previously described, the price is above book value as that value is reflected on Qwest's books that are maintained in accordance with GAAP. However, the book cost for regulatory purposes is higher, due to longer depreciation lives. The prior filings in the matter referenced only the GAAP book cost. That error has been corrected as shown in the detail in Exhibit D.

6 Due to the deadlines contained in the Agreement, Qwest respectfully requests that the Commission give this matter expedited consideration and approve it at an open meeting within the next 60 days.

IV. CONCLUSION

7 As set forth in its original application and based on the information contained herein, Qwest respectfully requests that the Commission expeditiously consider and approve the amended agreement as described herein. Additionally, in light of the changes in this transaction to date, Qwest asks that the Commission order state that the transaction is approved and does not require further approval, even if changes are made to the terms and conditions of the transaction, unless the changes are material and affect the sale price.

DATED this _____ day of November, 2005.

QWEST

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