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[REDACTED]

January 27, 1992

BY FEDERAL EXPRESS

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Premerger Notification Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
6th Street and Pennsylvania Avenue, N.W.  
Washington, D. C. 20580  
Attention: Mr. Thomas Hancock

Re: Conveyance of [REDACTED] Payment

Dear Mr. Hancock:

Our client is involved in the transaction described below, which we believe is exempted from filings made with the Federal Trade Commission ("Commission") pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended (the "Act"). On behalf of our client, we respectfully request that the Premerger Notification Office of the Commission give oral confirmation to us that the transaction, based on the facts presented, is exempt from requirements to file a notification form under the Act. The facts are as follows:

1. The acquired person is an [REDACTED] company with total assets (as defined in the Act and regulations promulgated thereunder) in excess of \$100,000,000. The acquiring person is a corporation, qualifying as a charitable foundation for federal income tax purposes, with total assets of over \$10,000,000.
2. The acquired person is engaged in activities affecting commerce.
3. The acquired person proposes to transfer an [REDACTED] payment to the acquiring person for \$38,000,000 in cash. The acquiring person will simultaneously mortgage the [REDACTED] payment to secure borrowings of \$38,000,000 from a commercial bank ("Bank"). Interest and principal on such borrowings will be non-recourse to the acquiring person, payable solely out of the proceeds of the [REDACTED] payment.

4. The [REDACTED] payment is payable solely out of the cash proceeds of the sale of [REDACTED] from the properties burdened by the [REDACTED] payment. The acquiring person is not entitled to receive [REDACTED] or any other assets from the acquired person, [REDACTED] by reason of the [REDACTED] payment.
5. Other aspects of the [REDACTED] payment are as follows:
  - a. Interest Rate: The unpaid principal balance of the [REDACTED] payment will bear interest at a rate of approximately 6.75%.
  - b. Term of Production Payment: It is anticipated that the principal of the [REDACTED] payment, and all interest thereon, will be paid within eight years.
  - c. Source of Repayment. The source of payment of the [REDACTED] payment is limited to proceeds of [REDACTED] attributable to the acquired person's undivided interest in the properties to be burdened by the [REDACTED] payment, which are situated (i) [REDACTED] and (ii) within [REDACTED] after the acquired person has deducted and paid applicable [REDACTED] payments on [REDACTED] owed to lessors of the leases, [REDACTED] and other taxes.
  - d. Personal Liability. The acquired person has no personal liability to pay any amount represented by, or attributable to, the [REDACTED] payment.
  - e. Remedies. Under certain conditions, generally relating to (i) the acquired person's election not to participate in [REDACTED] operations on the [REDACTED] [REDACTED] which may be proposed after the date of the [REDACTED] payment, or (ii) the acquired person's failure or refusal to prudently manage the [REDACTED] the acquiring person may exercise various remedies which are intended to allow the acquiring person to participate in such [REDACTED] operations or to purchase the acquired person's undivided interests in the [REDACTED] to give the acquiring

person some ability to protect the value of the [redacted] and thereby recover outstanding amounts due under the [redacted] payment.

f. Contingent Payments. In the event that the value of the [redacted] from the [redacted] exceeds certain stipulated levels, the acquired person will make [redacted] payments to the acquiring person in an amount equal to 1% of the revenues attributable to the [redacted] while such excess continues.

6. It is anticipated that all of the rights obtained by the acquiring person will be collaterally assigned to the Bank to secure payment of the loan extended to the acquiring person. Among other security, the acquiring person will grant mortgage liens covering the real property interests and security interests in the personal property interests acquired by the acquiring person in the [redacted] relating to the [redacted] payment.

We understand that the staff of the Commission has previously taken the position that transfers of [redacted] payments payable in [redacted] are not subject to the notification provisions of the Act primarily because of the exclusions from the definition of assets transferred provided in Section 801.21 of the regulations. 15 C.F.R. §801.21. We respectfully request that the staff of the Commission orally confirm to us that the notification filings requirements of the Act are not applicable to the transaction described herein.

I will place a telephone call to you on Tuesday, February 28th to verify orally your response based on the facts presented above. If you require further information or if I may be of further assistance, please contact me at [redacted]

Very truly yours,

[redacted signature block]

[redacted text block]

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