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July 14, 1993

BY FAX

Nancy Ovuka, Esq.
Premerger Notification Office
Federal Trade Commission
Room 303
Sixth Street & Pennsylvania Avenue, N.W.
Washington, DC 20580

Fax No.: (202) 326-2050

Dear Ms. Ovuka:

As we discussed by telephone yesterday, I would like to receive your guidance regarding which person is required to file a Premerger Notification and Report Form as an acquired person in connection with a sale of fixed assets (the "Assets") that are leased by one person to another pursuant to a relatively complex contractual relationship.

is an The lessor of the Assets The Assets are leased to a The person of which the is a part is controlled by the controlling shareholder and the The (the "Parent") of the have entered into a letter of intent to sell the Assets, together with related inventory and accounts receivable (which are owned by , to a third party. I would like your guidance on whether the acquired person for purposes of the Hart-Scott-Rodino or both Antitrust Improvements Act is the the of them.

The relationship between the and the is set forth in an Integrated Agreement (the "Agreement"), consisting of four sections:

under the marketing section of the sells its member-produced crops exclusively to the The must pay the at least the as defined in the of the plus a share of the earnings generated from these





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Under the facilities financing section of the Agreement, the purchases the fixed assets and one-half of the intangible assets used by the fin its business and leases them to the fine pays all taxes, insurance, maintenance, and other operating costs of the leased facilities and pays annual rent to the fixed and intangible assets. The for the financing of assets leased to the for the financing of assets leased to the fixed are damaged or destroyed. The lease arrangement is accounted for as a capitalized lease, and the leased assets are depreciated by the for both tax and financial reporting purposes. The Assets represent a portion of the fixed assets leased by the for the fixed assets leased by the fixed assets leased to the fixed assets leased to the fixed assets leas

The operations financing section of the Agreement provides that the will lend to the all funds not required for its own operations or for purchases of assets to be leased to the Funds borrowed by the and re-lent to the bear the same conditions and interest rates as the has obtained from its lenders. Frovisions of the Agreement do, however, allow the with sufficient notice to the to accelerate the repayment of outstanding debt. As additional consideration for the fixed assets and funds provided by the to the shares in the profits of the

The land the operate from common offices and all operations of the lare managed by the under the policy direction of the Board of Directors. The management section of the Agreement provides that the with the concurrence of the Board of Directors, shall select the principal executive officer of the who is designated as the General Manager. While the management section does not so require, the General Manager of the has been an executive officer of the since the was formed. The has no employees of its own.

The Agreement extends to June, 1997, and provides for two successive renewals, each for a term of five years, at the option of the The That the option of terminating the Agreement at any time by purchasing all assets leased from the lat book value. Should the Agreement be terminated and the last sell to the last sell to the last their then existing book value.

no credit for leased payments already made

rose for

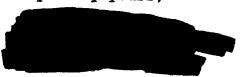
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HARRIS BEACH & WILCOX

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If you require any further information in order to provide the quidance requested by this letter, please feel free to call me at Thank you for your assistance in this matter.

Very truly yours,



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Despite the fact that the leased assets are carried on the books of the lessee (p.2P1), beneficial owership of the assets remains with the lessor (mains). The can buy the assets for book value. The can purchase the intangible assets — it already holds the fixed assets (p.2P4). The listhe listhe ups for the fixed assets. The listhe owns the inventory and accounts receivable. Therefore, there are two separate transactions involved.

There are two separate transactions involved.