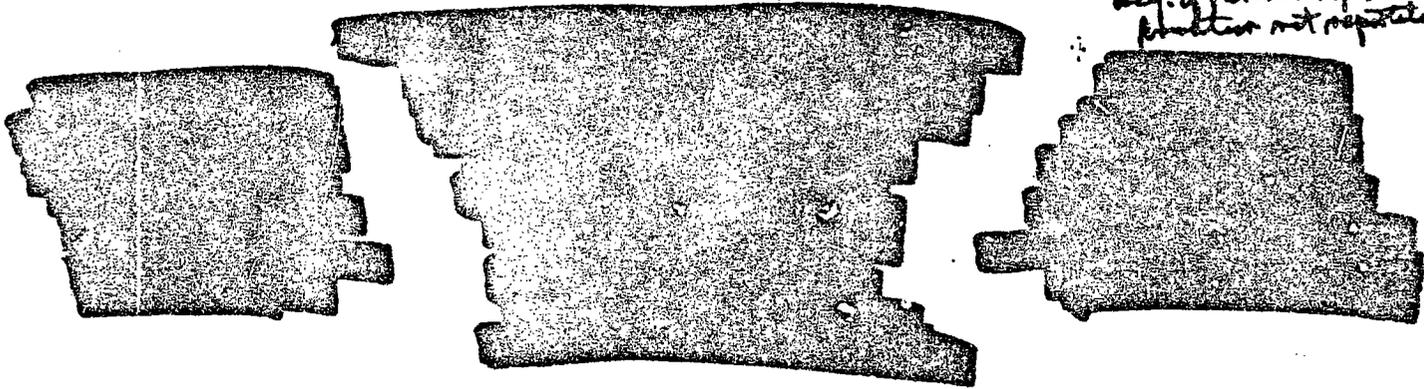


*para r...
app...
acq. of partnership or
franchise not reported*



December 24, 1985

BY HAND

John M. Sipple, Jr., Esquire
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Sixth Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear John:

As you requested, the following outlines the proposed transaction we discussed on the telephone yesterday:

[REDACTED]
will create a newly formed partnership as follows:

- (1) **[REDACTED]** (including wholly-owned subsidiaries; will contribute to the partnership its **[REDACTED]** valued at approximately \$40 million (subject to approximately \$9 million in debt), plus \$1 million in cash, in return for a 50% interest in the partnership. **[REDACTED]** will also receive a preferential initial distribution from the Partnership of \$15.5 million cash. In addition, **[REDACTED]** will sell inventories to the partnership.
- (2) **[REDACTED]** will contribute to the partnership \$16.5 million cash, plus (a) its residual fee interest underlying a **[REDACTED]** presently operated by **[REDACTED]** and (b) a parcel of undeveloped real estate also located in **[REDACTED]**. In return, **[REDACTED]** will receive a 50% partnership interest. **[REDACTED]** will also receive a preferential distribution of the first \$2 million from the proceeds realized by the partnership from real estate development and sales.



John M. Sipple, Jr., Esquire
December 24, 1985
Page Two

- (3) The funds utilized to purchase working capital, including inventories, from  will be borrowed by the partnership to the extent necessary.

We would appreciate your opinion as soon as possible as to the reportability of the above proposed transaction. Please call me at 

Cordially,

