

Andrew Scanlon
October 10, 1985
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by the parent on the purchasing side, and totalling [REDACTED]
The balance of the purchase price will be paid in cash, and will be financed by institutional lenders who will take a security interest in the assets newly acquired by the purchasers. The financing will be closed at the same time the purchase transaction is consummated. Although there will be cross-guarantees of the debt involved among the newly formed entities on the purchasing side, none of the five shareholders of the newly formed parent corporation will guarantee any of the debt.

One other factor, which we did not describe to you, but which we believe does not affect the premerger notification issues, is that one of the sellers will be leasing real property back from one of the purchasers, and the property and the lease proceeds may be pledged by the purchaser to secure the debt described above. Although this feature of the transaction might conceivably be construed as an indirect "guarantee" by one of the sellers, it does not appear to us to be the kind of "guarantee" that would trigger a premerger notification filing.

You have advised us that no filing is required with respect to the transaction as described to you in this letter, except, of course, we had not previously described the leaseback feature of the transaction to you. We will assume that the leaseback feature does not alter your conclusion.

Please advise us if you change your conclusion after reviewing this letter, or if there is any additional fact which you need to have in order to confirm your conclusion. If we do not hear from you in the near future, the parties will rely on your stated conclusion, and will close the transaction described in due course, without making any premerger notification filing.

Thank you for your assistance.

Sincerely,
[REDACTED]

[REDACTED]

I concur
Patrick 10-11-85