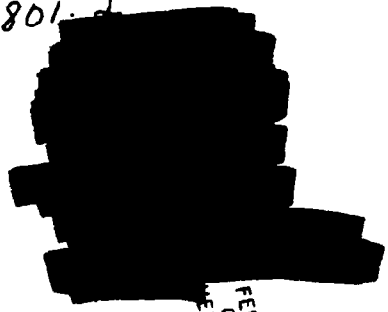


801.1(c)
801.2



This material may be subject to
the confidentiality provision of
section 7A (b) of the Clayton Act
which restricts release
of information of interest

July 14, 1993

Mr. Ovuka, Esq.

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.

The lessor of the Assets is an

whether the acquired person for purposes of the Hart-Scott-Rodino Act is the [redacted] the [redacted] or both

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

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



This material may be subject to
a confidentiality provision of

Under the facilities financing section of the Agreement, the [redacted] purchases the fixed assets and one-half of the [redacted] assets used by the [redacted] in its business and leases them to the [redacted]. The [redacted] pays all taxes, insurance, maintenance, and other operating costs of the leased facilities and pays annual rent to the [redacted] equal to the annual amortization taken on the leased fixed and intangible assets. The [redacted] also pays interest equal to the cost of funds used by the [redacted] for the financing of assets leased to the [redacted]. The [redacted] is required to repair or replace any leased assets that are damaged or destroyed. The lease arrangement is accounted for as a capitalized lease and the leased assets are depreciated

The operations financing section of the Agreement provides

leased to the [redacted]. Funds borrowed by the [redacted] and re-lent to the [redacted] bear the same conditions and interest rates as the [redacted] has obtained from its lenders. Provisions of the Agreement do, however, allow the [redacted] with sufficient notice to the [redacted] to accelerate the repayment of outstanding debt. As additional consideration for the fixed assets

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

The Agreement extends to June, 1997, and provides for two [redacted] periods, each for a term of five years, at the option of the [redacted]. The [redacted] has the option of terminating the Agreement at any time by purchasing all assets leased from the [redacted] at book value. Should the Agreement be terminated and the [redacted] not buy the assets of the [redacted] then the [redacted] must sell to the [redacted] all trademarks, brand names and other intangible assets of the [redacted] at their then existing book value.

not useful life

all intangible assets + not

no credit for leased payments already made

eq

HARRIS
BEACH &
WILCOX

Nancy Ovuka, Esq.
July 14, 1993
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If you require any further information in order to provide the guidance requested by this letter, please feel free to call me at [REDACTED]. Thank you for your assistance in this matter.

Very truly yours,

[REDACTED]

[REDACTED]

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confidentiality restrictions

Records of Information Act

7/14/93

Despite the fact that the leased assets are carried on the books of the lessee ([REDACTED]) (p. 2P1), beneficial ownership of the assets remains with the lessor ([REDACTED]). The [REDACTED] can buy the assets for book value. The [REDACTED] can purchase the intangible assets - it already holds the fixed assets (p. 2P4). The [REDACTED] is the UPE for the fixed assets. The [REDACTED] owns

There are two separate transactions involved.
nmo (R3 concurs)