

August 9, 1996

VIA HAND DELIVERY

Richard B. Smith, Esquire
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 338
Sixth Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Hart-Scott-Rodino Reportability of Limited Liability Company

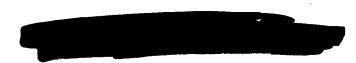
Dear Mr. Smith:

We represent one of the founding members of a Virginia limited liability company (the "LLC"). The LLC will have as its purpose the operation of certain facilities located in

The LLC is not to be organized or managed as a corporation. It will instead be organized and managed as to result in it being treated as a partnership for federal income tax purposes. The LLC is to dissolve upon the first to occur of the following: (a) the bankruptcy, dissolution, or any other requirements which would locally dissuplify the Managed from

instrument dissolving the company; (c) the dissolution of the

The term "Manager" is a defined term in the Operating and Management Agreements. The rights and duties of the Manager are summarized in Attachment A.



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the #Wambaratt will be (a) a Virginia non-stock _not-for-profit

50% equity interest in the LLC. Additionally, Member A will receive \$8 million from Member B upon closing the transaction.

The Members will manage the LLC, acting through a "Board of Governors" as set forth in the Operating Agreement. The Board will consist of a total of ten representatives of the Members (the "Governors"). Each Member will appoint five Governors. Each of the initial Governors will be an employee,

vacancies shall be filled by appointment by the member which appointed the Governor whose position became vacant. The initial Chairman of the Board of Governors will be a Member A Governor as selected by the Member A Governors. Rights and Duties of the Board of Governors are more fully set forth in Attachment A.

Certain financial, technical, managerial and administrative support services will be performed by the

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fully set forth in Attachment A.

The parties believe that, on the basis of these facts, the transaction is not reportable under the Hart-Scott-Rodino Act. When you have reviewed this letter, please call me with y<u>ou</u>r comments.

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ATTACHMENT A



Rights/Duties Rights/		
Member A) and 5 Member B. Overnors (from current directors, officers and trustees of Member B). Vacancies will be filled by the LLC Member who initially appointed the governor whose seat became vacant. **The main directors officers are seasons of the Board of Governors.** May request additional capital contributions of LLC Members May change nature of the LLC's business May distribute excess cash to LLC Members on a quarterly Must approve the sale or transfer of assets of the LLC May deposit all LLC funds into LLC accounts Must approve admission of new members to the LLC Keeps all books of accounts and LLC records Must approve annual and capital budgets Prepares financial statements May incur (and must approve) debt in excess of \$10 million Acris as Tay Matters Partners of the LLC under \$6731/a). May deaders dividend and distributions to mambars of the Members A governors thall cales the latting Chaleman of the Beathcare facilities Selects the CEO Selects the Chairman of the Board (provided, however, that the Members A governors) May change established policies of Member A or Member B healthcare facilities May make material changes to the Business Plan of the LLC	Rights/Duties	
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