

801.10

[REDACTED]

[REDACTED]

WRITER'S DIRECT DIAL NUMBER

[REDACTED]

INTERNE

April 1, 1999

*to World  
He [unclear] as [unclear]*

VIA FEDERAL EXPRESS

Mr. Patrick Sharp  
Compliance Specialist  
Premerger Notification Office  
Federal Trade Commission  
Sixth and Pennsylvania Avenue, N.W.

*This material may be subject to the  
confidentiality provisions of section  
1014 of The Clayton Act which restricts  
release under The Freedom of Information  
Act*

1999 APR 1 10 58 AM  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20540

Re: Lease and Transfer Agreement  
between [REDACTED]

[REDACTED]

Dear Mr. Sharp:

In connection with the LEASE AND TRANSFER AGREEMENT between [REDACTED]  
[REDACTED] as joint tenants  
(together "Lessee"), and in accordance with our telephone conversation  
of today, this is to inform you that this Lease includes the fully  
furnished [REDACTED] and, therefore, the equipment in the [REDACTED] is  
being leased and not being acquired or transfer between the Lessor and  
the Lessee. *ok*

The joint tenant under the LEASE AND TRANSFER AGREEMENT have an *ok*  
obligation to maintain and replace equipment in the [REDACTED]

The equipment in the [REDACTED] is defined in paragraph 1.20 of the  
LEASE AND TRANSFER AGREEMENT (as p. 4) and ARTICLE V - COVENANTS OF  
LESSOR AND LESSEE under paragraph 5.1 require the maintenance of the  
assets and equipment acquired. Section 5.1(d) is as follows:

(b) Maintenance of Facilities. Lessee shall at all  
times during the Term of this Agreement keep and maintain

the Facilities, both inside and outside, structural and nonstructural, in a good state of repair and preservation, ordinary wear and tear and acts of God excepted, and Lessee shall make all repairs and replacements that may be necessary to maintain the Facilities (including, without limitation, all electrical, plumbing, HVAC systems and equipment and such equipment as shall be reasonably required

to have been met if the Lessee maintains the Property in substantially the same condition it was in on the Commencement Date. Lessee covenants that it will not permit, commit or suffer any waste of the whole or any part of the Facilities and shall not use or permit the use of the Facilities, or any part thereof, for any unlawful purpose or permit any nuisance to exist thereon. Lessee covenants and agrees that it shall provide current and modern equipment as generally used in accredited, comparable community [redacted] and shall provide all equipment, machinery, furnishings, supplies and other personal property required or necessary for the proper operation, repair and maintenance of the [redacted], consistent with standards of [redacted] organization and administration generally acceptable for fully accredited [redacted] comparable to the

operating revenues of the Facilities, and Lessee shall not grant any lien, security interest or other encumbrance in connection therewith other than a Permitted Encumbrance (at pages 20-21).

In further regarding the obligation to maintain and repair, <sup>OK</sup> paragraph 6.3 of the LEASE AND TRANSFER AGREEMENT is also relevant, and is as follows:

6.3 Demolition or Alterations. Lessee shall not, without Lessor's written consent, demolish or structurally alter the Facilities in any way that [redacted]

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Lessee to repair, remodel or make additions to the  
Facilities. Any alterations, renovations or additions to

approval of Lessor, which shall not be unreasonably withheld  
or delayed.

In addition to the above obligations, I am informed that the  
Lessee (the joint tenants, that is, [redacted]  
and [redacted] are not assuming the  
debt of the Lessor, [redacted]

Therefore, as the transaction between these parties is strictly a *ok*  
bona fide lease of the [redacted] and the equipment therein, I have  
advised [redacted] Vice President for Legal Services of  
[redacted] the sole  
corporate member of [redacted], that there  
is no requirement to file a Foreigner Notification and Report Form  
under Section 18a of the Clayton Act.

I very much appreciate you discussing this matter with me.

Very truly yours,  
[redacted]  
[redacted]  
[redacted]

cc: [redacted] (Federal Express)

called [redacted] 4/2/99  
This is ok since it is  
a bona fide lease  
and not a purchase  
of assets.

(PS)