

802.2(e)
802.5

April 22, 1999

60488-0001

VIA FACSIMILE (202-326-2624) AND
FEDERAL EXPRESS

Mr. Michael Verne
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

1999 APR 22 P 2:49
COMMUNICATIONS SECTION

Re: Section 802.2(e) Exemption

Dear Mr. Verne:

This letter will confirm Monday's conversation between you and [redacted] of our office regarding the exemption from reporting requirements contained in Section 802.2(e) of the Rules, Regulations, Statements and Interpretations under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("Section 802.2(e)") for the acquisition of a hotel facility. Section 802.2(e) exempts from reporting requirements the acquisition of a hotel, but excludes from such exemption the acquisition of a hotel that includes a gambling facility.

As [redacted] explained, the Acquiring Person will acquire real property consisting of both a hotel and a gambling casino from the Acquired Person, along with the personal property used in the ownership, operation and maintenance of the business conducted on or with respect to the hotel. The Acquiring Person will not acquire any gaming equipment or any licenses or permits relating to the operation of the casino. Such gaming equipment, licenses and permits are currently owned by the entity operating the casino (an entity separate from the Acquired Person) (the "Operating Entity"). The Acquired Person will assign to the Acquiring Person, and the Acquiring Person will assume, the current lease agreement between the Operating Entity and the Acquired Person. The only revenue the Acquiring Person will

[REDACTED]
[REDACTED]
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receive in connection with the casino facility will be fixed rental payments from the Operating Entity.

Based on the foregoing facts, you confirmed that the acquisition would qualify for an exemption under Section 802.2(c).

Please call me immediately if you have any questions or concerns, or if this letter does not accurately reflect your conversation with [REDACTED]. In addition, please return the enclosed copy of this letter with your stamp "Received" thereon in the enclosed self-addressed, prepaid envelope.

Best regards,

Very truly yours,
[REDACTED]
[REDACTED]
[REDACTED]

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

AGREE - THE ACQUISITION OF THE REALTY ASSOCIATED WITH THE HOTEL CASINO, WHERE NONE OF THE LICENSES OR GAMING EQUIPMENT IS BEING ACQUIRED, CAN BE EXEMPTED UNDER 802.2(c). THE ACQUISITION OF THE CASINO REAL PROPERTY IS ALSO EXEMPT UNDER 802.5.

Michael Verne

4/26/99

[REDACTED] DICK SMITH CONCURS.