

802.2(e)

May 18, 2005

Mr. Michael Verne
Pre-Merger Notification Office
Bureau of Competition
Room 303
6th and Pennsylvania Avenue N.W.
Washington, D.C. 20580

Re: Section 802.2(e) Exemption

Dear Mr. Verne:

This confirms our conversation earlier today relating to HSR Rules Section 802.2(e) as applied to an acquisition our client intends to make of a hotel which includes a casino, which casino is to be operated by an unaffiliated third party.

I explained that Entity A presently owns a hotel in which is located a casino, also presently operated by A. A has agreed to sell the hotel to our client, B, and to sell all of the gaming assets (*i.e.*, those used in the operation of the casino) (the "Gaming Assets") to C, which is unaffiliated with our client, B. B and C are not within the same person for HSR purposes, and neither B nor any of its shareholders is a shareholder of C, and neither C nor any of its shareholders is a shareholder in B. C will lease space in the hotel in which the casino will be operated from B and will pay B a fixed rent, except that if the casino's results are worse than certain designated numbers, C's rent will be reduced. B has also agreed to lend C about \$2 million to acquire the Gaming Assets and will also extend it a line of credit for operating capital purposes not to exceed \$3 million. The rate of interest on these loans floats at 4% over the prime rate as specified in the *Wall Street Journal* from time to time.

Based on the foregoing facts and subject to the assumption that the loan is bona fide, you confirmed that the transaction described above would qualify for the Rules Section 802.2(e) exemption and would not be disqualified therefrom because of Section 802.2(e)(2).

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I would appreciate it if you would please call or email me immediately if this letter does not accurately reflect our conversation or if you have any further questions or concerns.

Yours very truly,



AGREE-
B. Michael
5/18/05