

July 18, 1989

Subject to
Review of
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review of
Section of
Before the
Bureau of Information

Pre-Merger Office
Federal Trade Commission
6th and Pennsylvania
Room 303
Washington, D.C. 20580

Attention: Ms. Lynn Guelzow

Dear Ms. Guelzow:

The undersigned is writing to request a ruling on
whether the contemplated transaction discussed herein

[REDACTED] ("Seller") has agreed to
sell and [REDACTED] ("Buyer") has agreed to
purchase the 23.5-acre parcel known as the [REDACTED]

(the "Property") for a purchase price of \$64 million. It
is possible that the size of the parties and size of the

cause the transaction involves the sale of real estate in
the ordinary course of business. We hereby request your
opinion on that issue.

The Property consists of land on which is situated a
65-year old hotel building and auxiliary buildings. These
properties were used as a hotel until [REDACTED], when
the hotel permanently closed its doors. A fence has been
erected around the perimeter of the Property to minimize

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vandalism and keep out trespassers. Since [REDACTED] two small apartment buildings (which presently house month-to-month tenants), a rental car operation and a parking lot have been operated. In addition, the hotel building has occasionally been used as a set for filming or taping movies. These operations and tenancies are primarily a means of keeping the Property occupied to avoid vandalism and discourage trespassers.

The Buyer is an entity whose purpose is to redevelop the Property and whose partners are in the business of real estate development. It does not presently intend to reopen the [REDACTED] as it stands on the Property, but rather has contracted to purchase the Property because of the value of the land only. The Buyer's present development plan

[REDACTED] involves a mixed residential and commercial project and demolition of the old hotel building. There is a remote possibility that the [REDACTED] could be landmarked. If this unlikely event occurred (or some other event

unfeasible), the Buyer would be unable to demolish the old hotel building and its development plan would be

unlikely to be undertaken because (i) the type of renovation required to restore the hotel to an operable and safe condition would be very expensive, and (ii) it is unlikely that sufficient occupancy rates required to make such a renovation economically feasible would be realized, given the decline in desirability of the location of the Property for a luxury hotel and the availability of other

We believe the issue here is whether the Property is

utilized as a hotel, is the transaction exempt as a sale of real estate in the ordinary course of business? Please advise.

Yours very truly,

[REDACTED]

[REDACTED]

[REDACTED]

The transaction would
be in the
ordinary course
of business.