

MEMORANDUM OF OPERATING LEASE

KNOW ALL MEN BY THESE PRESENTS THAT: NEVADA CASINO ASSOCIATES, L.P., a Nevada limited partnership having its principal office at 100 East Fremont Street, Las Vegas, Nevada 89101 ("Lessor"), as lessor, and NEVADA CASINO HOTELS, INC., a Nevada corporation having an office at 100 East Fremont Street, Las Vegas, Nevada 89101 ("Lessee"), as lessee, do hereby certify unto whom it may concern, that as of the date hereof, the Lessor and Lessee entered into a certain operating lease (the "Lease") covering Lessor's interest in the property described in Schedule A attached hereto and made a part hereof (the "Nevada Properties"), which Lease is subject and subordinate in all respects to the "Overleases" and other permitted encumbrances described in the Lease, including, but not limited to that certain lease dated November 11, 1969, as amended, between Sahara-Tahoe Corporation and Consolidated Casinos Corp. of a portion of the premises located at the High Sierra Hotel and Casino at Highway 50, Stateline, Douglas County, Nevada, as amended and restated as of the date hereof, and further subject and subordinate to the liens of (i) that certain first deed of trust dated as of the date hereof made by Nevada Casino Associates, L.P., as

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Grantor, to First American Title Company of Nevada, as Trustee for the benefit of Morgan Guaranty Trust Company of New York, as Agent, as Beneficiary, as modified, amended or supplemented, and (ii) that certain purchase money second deed of trust dated as of the date hereof made by Nevada Casino Associates, L.P., as Grantor, to First American Title Company of Nevada, as Trustee for the benefit of Sahara-Nevada Corporation ("S-NC") and Sahara-Tahoe Corporation ("S-TC"), as Beneficiary, as assigned by S-NC and S-TC to Del E. Webb Corporation, as modified, amended or supplemented, which deeds of trust are intended to be recorded immediately after the recording of this Memorandum.

Lessor and Lessee do further certify

(1) that said Lease is in effect for an initial term commencing on the date hereof and expiring on December 31, 2000, with the right and privilege in Lessee to extend the Lease for two (2) additional terms, the first additional term for ten (10) years, and the second additional term for nine (9) years, unless sooner terminated in accordance with the provisions thereof; (2) that Lessee has the right and option to purchase Lessor's interest in the Nevada Properties as follows: (a) on January 4, 1995, as to the Nevada Properties, collectively, (b) on January 2, 2000, as to the Nevada Properties, collectively or as to the "High Sierra Hotel and

Casino" alone, and (c) on January 2, 2005, as to the "Mint Hotel and Casino" and the "Nevada Club", collectively (as such quoted terms are described in Schedule A hereto); (3) that the Lease itself contains the contract of leasing and otherwise between the parties, including the amount of rent, times when said rent shall be paid, the option purchase price, the dates upon which notice to purchase may be given, and other provisions and covenants as regulate and govern the relationship of lessor and lessee between the parties; and (4) that all persons are hereby put on notice of the existence of the Lease and are referred to the Lease itself for its terms and conditions.

IN WITNESS WHEREOF, this Memorandum of Operating Lease has been duly executed as of the 28th day of December, 1984.

NEVADA CASINO ASSOCIATES, L.P.

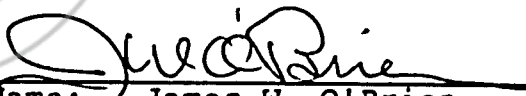
By TRI-CITY PROPERTIES, INC.,  
general partner

By

  
Name: D.V. Mickus  
Title: Treasurer

NEVADA CASINO HOTELS, INC.

By

  
Name: James W. O'Brien  
Title: President

STATE OF NEW YORK )  
  : ss.:  
COUNTY OF NEW YORK )

On December 26, 1984, personally appeared before me, a notary public, D.V. NICKUS, the TREAS. of TRI-CITY PROPERTIES, INC., a Nevada corporation, a general partner of NEVADA CASINO ASSOCIATES, L.P., a Nevada limited partnership, who acknowledged that he executed the foregoing instrument.

Mary K. Bendick  
Notary Public  
(stamp)

MARY K. BENDICK  
NOTARY PUBLIC, State of New York  
No. 21-0237960  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1985

SEAL

COPY

STATE OF NEW YORK )  
                                  : ss.:  
COUNTY OF NEW YORK )

On December 26, 1984, personally appeared before me, a notary public, J.W. O'BRIEN, the ~~PRESIDENT~~ of NEVADA CASINO HOTELS, INC., a Nevada corporation, who acknowledged that he executed the foregoing instrument.

  
Notary Public

SEAL

[Notarial Seal]

My commission expires:

DAVID P. JACOBSON  
Notary Public, State of New York  
No. 31-4797134  
Qualified in New York County  
Commission Expires March 30, 1985

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SCHEDULE A

The Nevada Properties

A. "The Mint Hotel and Casino":

1. All those certain lots, pieces or parcels of land (the "Mint Fee Parcel") located in the City of Las Vegas, County of Clark, State of Nevada and described as follows:

Lots One (1) through Ten (10) inclusive, in Block Fifteen (15) of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada.

Together with that portion of the alley vacated by an Order of Vacation, dated May 24, 1961 and recorded July 6, 1961 in Book 306 of Official Records, Clark County, Nevada Records, as Document No. 247945, described as follows:

A certain tract or parcel of land lying and being situate in the City of Las Vegas, County of Clark, State of Nevada, and being a portion of the north-east one-quarter (NE 1/4) of the northwest one-quarter (NW 1/4) of Section 34, Township 20 south, Range 61 east, M.D.B. & M., and being a portion of Clark's Las Vegas Townsite as shown by map thereof in Book 1 of Plats, Page 37, more particularly described as follows, to wit:

Beginning at the most westerly corner of Lot 10 in said Block 15;

thence south 62 degrees 15 minutes east a distance of 140 feet to the most southerly corner of said Lot 10;

thence south 27 degrees 45 minutes west a distance of 20.00 feet to a point on the north line of Lot 16 in said Block 15;

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thence north 62 degrees 15 minutes west a distance of 140 feet to the most northerly corner of Lot 11 in the said Block 15;

thence north 27 degrees 45 minutes east a distance of 20.00 feet to the Point of Beginning.

And together with an easement to use and occupy the airspace beginning fourteen feet (14') above the surface of the portion of the public alley which is described as follows:

That portion of Block 15 of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada, described as follows:

Beginning at the most easterly corner of Lot 1 of said Block 15;

thence south 62 degrees 15 minutes east 10.00 feet to the centerline of that certain alley running through said Block 15;

thence, along said centerline, south 27 degrees 45 minutes west 270.00 feet to the northeasterly line of Lot 16 of said Block 15;

thence, along said northeasterly line, north 62 degrees 15 minutes west 10.00 feet to the south-westerly prolongation of the southeasterly lines of Lots 1 to 10 in said Block 15;

thence, north 27 degrees 45 minutes east 270.00 feet to the point of Beginning.

2. The leasehold estate pursuant to that certain Lease dated November 30, 1956 between Glenel Realty Corp., as lessor and Milton Prell, A.F. Winter, Joseph Hall and L.B. Tutor Scherer, as lessee, recorded on May 20, 1957 in Book 129 of Official Records, Clark County, Nevada, as Document No. 106124, as amended and restated by Restated Lease Agreement dated as of June 1, 1982 between Sage Realty Co., as lessor, and Sahara-Nevada Corporation, as lessee as disclosed by memorandum recorded April 30, 1982 in Book 1558 of Official Records, Clark County, Nevada as Document No. 1517747, as amended as of the date hereof and as assigned by Sahara-Nevada Corporation to Lessor as of the date hereof, in those

those certain lots, pieces or parcels of land (the "Sage Parcel") located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

Lots Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), and Seventeen (17), in Block Fifteen (15) of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada.

3. The buildings and improvements located on the Mint Fee Parcel and the Sage Parcel.

4. All those certain lots, pieces or parcels of land, and the buildings and improvements thereon, located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

Lots Seventeen (17) through Thirty-Two (32) inclusive, in Block Sixteen (16) of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada.

5. Excluding, however, the leasehold estate pursuant to that certain lease dated April 1, 1959 between William H. Elwell, Naomi Uptiegrove and Doris Hamilton, as lessor, and The Mint, as lessee, recorded April 9, 1963 in Book 436 of Official Records, Clark County, Nevada as Document No. 351293, as amended January 29, 1960, January 12, 1961, September 14, 1961 and as assigned by The Mint to Sahara-Nevada Corporation by assignment dated August 31, 1961 and as assigned by Sahara-Nevada Corporation to Assignor as of the date hereof, in those certain lots, pieces or parcels of land, and the buildings and improvements thereon, located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

The north fifty (N 50) feet of Lots Eleven (11) and Twelve (12) in Block Fifteen (15) of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada.

6. The leasehold estate pursuant to that certain lease dated May 3, 1957 between O.L. Parry, as lessor, and Stewart Kennard, Junior, Trustee, as lessee, recorded December 17, 1959 in Book 225 of Official Records, Clark County,



Nevada as Document No. 183143, as assigned by Stewart Kennard, Junior, Trustee and the Bird Cage Club to First Investment Company, Inc. by assignment dated November 30, 1959 recorded December 19, 1959 in Book 225 of Official Records, Clark County, Nevada as Document No. 183145, and as further assigned by First Investment Company, Inc. to Sahara-Nevada Corporation by assignment dated August 31, 1961 and as amended as of September 21, 1984 by amendment recorded on December 5, 1984 in Book 2031 of Official Records, Clark County, Nevada as Document No. 1990886 and as amended by amendments intended to be recorded on or before the date hereof and as assigned by Sahara-Nevada Corporation to Assignor as of the date hereof, in those certain lots, pieces or parcels of land, and the buildings and improvements thereon, located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

The south eighty (80) feet of Lots Eleven (11) and Twelve (12) of Block Fifteen (15) of Clark's Las Vegas Townsite, as shown by map thereof on file in Book 1 of Plats, Page 37, in the Office of the County Recorder of Clark County, Nevada.

**B. The Nevada Club:**

1. All those certain lots, pieces or parcels of land, and the buildings and improvements thereon, located in the County of Clark, State of Nevada, described as follows:

**PARCEL 1**

The north 70 feet of the following described property:

That portion of Lot 4, Section 13, Township 32 south, Range 66 east, M.D.B. & M., Clark County, Nevada, more particularly described as follows:

Commencing at the southwest corner of said Section 13;

thence, east along the south line of said Section 13, a distance of 1749.0 feet more or less to the southwest corner of said Lot 4;

thence, continuing east along the last described course, a distance of 178.66 feet to a point;

thence, north 1 degree 41 minutes 09 seconds east, a distance of 120.05 feet to a point; which is the True Point of Beginning;

thence, continuing along the last described course a distance of 100.04 feet to a point;

thence, east parallel to the south line of said Lot 4 a distance of 603.54 feet more or less to a point in the easterly line of said Lot 4;

thence, south 16 degrees 22 minutes 44 seconds west, along said easterly line of Lot 4, a distance of 104.23 feet to a point;

thence, west and parallel to the south line of said Lot 4; a distance of 577.10 feet more or less to the True Point of Beginning.

Excepting therefrom the interest in and to any portion thereof lying within the boundaries of a right of way generally 50 feet wide as granted to the County of Clark, State of Nevada to provide rights of way for roads, utilities and other public purposes by Deed recorded April 25, 1968 in Book 868 of Official records as Document No. 697269, Clark County, Nevada Records.

#### PARCEL 2

The south 100 feet of the north 1100 feet of the south half (S-1/2) of the south half (S-1/2) of Section 13, Township 32 south, Range 66 east, M.D.B. & M.

Saving and excepting the west 1,280.00 feet thereof.

Also excepting the interest in and to the right of way generally sixty feet (60.00') wide described as follows:

Commencing at the south quarter corner of Section 13, Township 32 south, Range 66 east;

thence east along the south line of said Section 13 a distance of 113.66 feet to a point on said south line distant 55.00 feet west of its intersection with the center line of California Pacific

Utilities Company existing power poles, the True Point of Beginning;

thence north 01 degree 41 minutes 09 seconds east, parallel with said pole line 1,039.75 feet;

thence along a curve, concave to the west, having a central angle of 6 degrees 43 minutes 30 seconds, a radius of 500.00 feet, and an arc length of 58.63 feet;

thence north 05 degrees 02 minutes 21 seconds west parallel with and distant 55.00 feet westerly of said pole line (measured normal thereto) a distance of 1,247.49 feet;

thence along Curve Number 2, concave to the east, having a central angle of 9 degrees, a radius of 300.00 feet, and an arc length of 56.55 feet;

thence north 03 degrees 57 minutes 29 seconds east, crossing under said power line approximately 380.00 feet;

thence along a curve concave to the west, through a central angle of approximately 65 degrees, having a radius of 80.00 feet and an arc length of 51.00 feet, more or less, to a point of intersection with the north-south centerline of said Section 13; thence north 01 degree 10 minutes 14 seconds east along said one-quarter section line 200.00 feet, more or less, to the center quarter section corner of said Section 13;

thence easterly along the east-west quarter section line 117.70 feet;

thence south 03 degrees 56 minutes 29 seconds west, 663.00 feet, more or less, to a point of curvature located 60.00 feet radially, easterly of the northerly end of Curve Number 2, previously described herein;

thence along a curve parallel with said Curve Number 2 through a central angle of 9 degrees and an arc length of 47.12 feet;

thence parallel with and 5.00 feet easterly of said power line south 05 degrees 02 minutes 21 seconds east 1,247.49 feet;

thence along a curve concave to the west having a radius of 560.00 feet, a central angle of 06 degrees 41 minutes 09 seconds, and an arc length of 65.67 feet;

thence south 01 degree 41 minutes 09 seconds west a distance of 1,038.85 feet to the south line of said Section 13;

thence west along said south line a distance of 60.00 feet, more or less, to the True Point of Beginning, as conveyed to Clark County, Nevada for roads and utility purposes by Deeds recorded April 9, 1968, as Document Nos. 694205 and 694206, Official Records.

### PARCEL 3

That portion of Government Lot Four (4), Section 13, Township 32 south, Range 66 east, M.D. B. & M., described as follows:

Commencing at the northwest (NW) corner of said Lot Four (4);

thence south 1 degree 10 minutes 14 seconds west along the west line of said Lot Four (4), a distance of 900.20 feet to a point;

thence east a distance of 182.44 feet to the southwest corner of that certain parcel of land conveyed to Marie E. Folkerson, et al., recorded January 13, 1960, as Document No. 185148 of Official Records, Book 228, Clark County, Nevada Records;

thence south 1 degree 41 minutes 09 seconds west a distance of 100 feet more or less to a point on the north line of that certain parcel of land conveyed to William E. McKinlay, et al, recorded November 12, 1954, as Document No. 25108 of Official Records, Book 28, Clark County, Nevada Records, being the True Point of Beginning;

thence east along said north line conveyed to McKinlay a distance of 200 feet to a point;

thence north 1 degree 41 minutes 09 seconds east a distance of 80 feet to a point;

thence west a distance of 200 feet to a point;

thence south 1 degree 41 minutes 09 seconds west a distance of 80 feet to the True Point of Beginning.

PARCEL 4

That portion of Government Lot Four (4) in Section 13, Township 32 south, Range 66 east, M.D.B. & M. Clark County, Nevada, described as follows:

Commencing at the northwest corner of said Lot Four (4);

thence east along the north line of said Lot Four (4) a distance of 400.98 feet to a point;

thence south 10 degrees 34 minutes 08 seconds west a distance of 508.63 feet to a point;

thence east a distance of 400.00 feet to a point;

thence south 11 degrees 40 minutes west a distance of 204.22 feet to a point;

thence south 14 degrees 40 minutes west a distance of 206.74 feet to the True Point of Beginning;

thence continuing south 14 degrees 40 minutes west a distance of 103.37 feet to a point;

thence east to a point on the east line of said Lot Four (4);

thence northerly along the last mentioned east line to a point which is due east of the hereinabove described True Point of Beginning;

thence west to the said True Point of Beginning.

PARCEL 5

That portion of Government Lot Four (4) in Section 13, Township 32 south, Range 66 east, M.D.M., in the County of Clark, State of Nevada, described as follows:

Commencing at the northwest corner of said Government Lot Four (4);

thence south 01 degree 10 minutes 14 seconds west along the west line of said Lot Four (4), a distance of 900.20 feet;

thence east a distance of 182.44 feet to the True Point of Beginning in the southwest corner of the land described in the Deed to Marie E. Folkerson and Lucille M. Eddy, recorded January 13, 1960 as Document No. 185148 of Official Records of said county;

thence east along the south line of said land described in Document No. 185148, to the east line of that certain right of way and easement for road purposes described in the Deed to J. Gordon Cooley, et ux, recorded March 31, 1959, as Document No. 156380 of said Official Records;

thence south 14 degrees 40 minutes 00 seconds west along said east line, a distance of 103.37 feet to the south line of the land described as Parcel I in the Deed to E.L. Cleveland recorded March 17, 1955 as Document No. 39680 of said Official Records;

thence westerly along said south line to the southeast corner of the land described in the Deed to James A. Bilbray, recorded May 1, 1961 as Document No. 239012 of said Official Records;

thence north 01 degree 41 minutes 09 seconds east along the east line of said land described in Document No. 239012, a distance of 80.00 feet to the northeast corner of said land;

thence west along the north line of the land described in the last mentioned Document, a distance of 200.00 feet to the northwest corner of said land;

thence north 01 degree 41 minutes 09 seconds east along the east line of the land described in the Deed to William F. Cleveland, recorded May 15, 1961 as Document No. 240810 of said Official Records, a distance of 20.00 feet more or less, to the True Point of Beginning.

PARCEL 6

The south half (S 1/2) of the south half (S 1/2) of Section 13, Township 32 south, Range 66 east, M.D.M., in the County of Clark, State of Nevada.

Excepting therefrom the north 1100 feet and the west 1280 feet.

Also excepting the north 70 feet of the following described parcel:

Commencing at the southwest (SW) corner of said Section 13;

thence east, along the south line thereof, a distance of 1749.0 feet, more or less, to the southwest (SW) corner of Government Lot Four (4);

thence continuing along said south line 178.66 feet;

thence north 1 degree 41 minutes 09 seconds east a distance of 120.05 feet to the True Point of Beginning;

thence continuing north 1 degree 41 minutes 09 seconds east a distance of 100.04 feet;

thence east, parallel with the south line of said Lot Four (4), 603.54 feet, more or less, to a point in the easterly line of said Lot Four (4);

thence south 16 degrees 22 minutes 44 seconds west along said easterly line, 104.23 feet;

thence west and parallel with the south line of said Lot Four (4), a distance of 577.10 feet, more or less, to the True Point of Beginning.

Excepting therefrom that portion conveyed to County of Clark, for road purposes by Grant Deed recorded April 9, 1968 as Document No. 694205 of Official Records.

PARCEL 7

That portion of Government Lot 5 of Fractional Section 24, Township 32 south, Range 66 east, M.D.B. & M., being more particularly described as follows:

Lots Two (2) and Three (3) as shown by map thereof on file in File 44 of Parcel Maps, Page 40, in the Office of the County Recorder of Clark County, Nevada.

C. The High Sierra Hotel and Casino:

1. The sublessee's interest pursuant to that certain sublease dated as of the date hereof, between Sahara-Tahoe Corporation, as sublessor, and the Assignor, as sublessee, a memorandum of which is intended to be recorded in the Office of the Clerk of Douglas County immediately prior to the recording of the First Deed of Trust and Second Deed of Trust, in those certain lots, pieces or parcels of land (the "High Sierra Land") located in the County of Douglas, State of Nevada, described as follows:

The parcel of land situate within Section 27, T.13N., R.18E., M.D.B. & M, Douglas County, Nevada, being more particularly described as follows:

Commencing at the intersection of the Nevada State Line and the westerly right-of-way line of U.S. Route 50;

thence N 27 degrees 58 minutes 21 seconds E 744.79 feet along said westerly right-of-way line of U.S. Route 50 to the True Point of Beginning;

thence continuing along said line N 27 degrees 58 minutes 21 seconds E 787.82 feet;

thence continuing along said line N 27 degrees 58 minutes 21 seconds E 787.82 feet along the westerly right of way line of U.S. Route 50;



thence N 62 degrees 01 minutes 39 seconds W 1105.84 feet;

thence S 27 degrees 58 minutes 21 seconds W 787.82 feet;

thence S 62 degrees 01 minutes 39 seconds E 1105.84 feet to the true point of BEGINNING.

Excepting therefrom that portion conveyed to the County of Douglas for public road purposes commonly known as the Stateline Loop Road, by deed dated July 20, 1978 and recorded September 6, 1978 as Document No. 24881 in Book 978, Page 249.

2. The buildings and improvements located on the High Sierra Land.

COPY

REQUESTED BY  
*First American Title*  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

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SUZANNE DEBUREAU  
RECORDER

\$21<sup>00</sup> PAID *ju* DEPUTY

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