

SI 4/12/87

NEVADA CASINO ASSOCIATES, L.P.
100 East Fremont Street
Las Vegas, Nevada 89101

Trustor,

to

FIRST AMERICAN TITLE COMPANY OF NEVADA
1800 E. Desert Inn Road
Las Vegas, Nevada 89109

Trustee,

for the benefit of

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
in its capacity as agent
23 Wall Street
New York, New York 10015

Beneficiary.

**DEED OF TRUST
(Fee and Leasehold)**

DATED: As of December 28, 1984

Premises Located at:

Counties of Clark and Douglas
State of Nevada

Record and Return to:

Kaye, Scholer, Fierman, Hays & Handler
425 Park Avenue
New York, New York 10022
Attn: Robert S. Finley, Esq.

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DEED OF TRUST

THIS DEED OF TRUST made as of this 28th day of December, 1984, by and between NEVADA CASINO ASSOCIATES, L.P., a Nevada limited partnership having an office at 100 East Fremont Street, Las Vegas, Nevada 89101 ("Trustor"), to FIRST AMERICAN TITLE COMPANY OF NEVADA, 1800 E. Desert Inn Road, Las Vegas, Nevada 89109 ("Trustee"), in trust for the benefit of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a New York banking corporation having an office at 23 Wall Street, New York, New York 10015 ("Beneficiary"), in its capacity as agent for the financial institutions listed on Schedule A annexed hereto and made a part hereof and their respective successors and assigns (the "Banks").

W I T N E S S E T H :

WHEREAS, Trustor has executed and delivered to Beneficiary (i) that certain Loan Agreement (the "Loan Agreement") of even date herewith made by and among Trustor, Beneficiary and the banks named therein, and (ii) those certain Term Notes (the "Term Notes") of even date herewith made by Trustor to the order of Beneficiary for the benefit of the Banks in the aggregate principal amount of \$51,300,000.00; and

WHEREAS, the Loan Agreement and the Term Notes evidence that Trustor is justly indebted to Beneficiary in the principal sum of \$51,300,000.00, lawful money of the United States, together with interest thereon and other charges and

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sums which may accrue thereon or become payable to Beneficiary thereunder; and

WHEREAS, under Section 2.2 of the Loan Agreement the Banks have commitments to, from time to time, make future advances to Trustor in addition to the loan evidenced by the Term Notes, provided that the aggregate principal amount of such future advances outstanding at any time does not exceed the sum of \$26,700,000.00; and

WHEREAS, the future advances referred to above shall be evidenced by certain Capital Addition Notes (the "Capital Addition Notes") made by Trustor to the order of Beneficiary for the benefit of the Banks pursuant to the Loan Agreement (the Term Notes and the Capital Addition Notes are hereinafter collectively called the "Notes"); and

WHEREAS, the Loan Agreement and the Notes are secured by this Deed of Trust and the terms, covenants and conditions of the Loan Agreement and the Notes are incorporated in and hereby made a part hereof; and

WHEREAS, the final maturity date of the sums advanced pursuant to the Loan Agreement shall be January 3, 1995 or any extension of such time to which Beneficiary may consent.

NOW, THEREFORE, for the purpose of securing the following (collectively, the "Obligations"): the full and prompt payment and performance of all of the indebtedness, obligations, covenants, agreements and liabilities of Trustor to

Beneficiary and the Banks, together with all interest and other charges thereon, whether direct or indirect, existing, future, contingent or otherwise (including, without limitation, all future advances (whether or not obligatory) referred to above to be made by the Banks to Trustor under the Loan Agreement), due or to become due, under or arising out of or in connection with the Loan Documents (as hereinafter defined) and all renewals, supplements, modifications, extensions and replacements thereof; and in consideration of the premises hereby mortgaged and the sum of One Dollar (\$1.00) in hand well and truly paid by Beneficiary, the receipt of which is hereby acknowledged, Trustor does hereby irrevocably grant, bargain, sell, convey, transfer and assign unto Trustee in trust, with power of sale, the following described property (hereinafter sometimes collectively called the "Property"):

A. All that certain subleasehold estate and all of Trustor's right, title, interest, privileges and options created by that certain sublease (the "STC Sublease") described as item no. 1 in Schedule B annexed hereto and made a part hereof, which subleasehold estate and STC Sublease cover that certain tract or parcel of land located in the County of Douglas, State of Nevada as more particularly described as Parcel 1 in Schedule C annexed hereto and made a part hereof (the "High Sierra Premises"); and

B. All that certain leasehold estate and all of Trustor's right, title, interest, privileges and options cre-

ated by that certain lease (the "Sage Lease") described as item no. 2 in Schedule B annexed hereto, which leasehold estate and Sage Lease cover that certain tract or parcel of land located in the County of Clark, State of Nevada as more particularly described as Parcel 2 in Schedule C annexed hereto; and

C. All that certain leasehold estate and all of Trustor's right, title, interest, privileges and options created by that certain lease (the "Parry Lease") described as item no. 3 in Schedule B annexed hereto, which leasehold estate and Parry Lease cover that certain tract or parcel of land located in the County of Clark, State of Nevada as more particularly described as Parcel 3 in Schedule C annexed hereto; and

D. All that certain tract or parcel of land located in the County of Clark, State of Nevada, and more particularly described as Parcel 4 in Schedule C annexed hereto; and

E. All that certain tract or parcel of land located in the County of Clark, State of Nevada, and more particularly described as Parcel 5 in Schedule C annexed hereto; and

F. All right, title and interest of Trustor in and to that certain Easement Agreement dated March 28, 1979 between The City of Las Vegas and Sahara-Nevada Corporation d/b/a The Mint, recorded on March 29, 1979 in Book 1031 of Official Records, Clark County, Nevada, as Document No. 990495, which Easement Agreement covers that certain tract or parcel

of land located in the County of Clark, State of Nevada, and more particularly described as Parcel 6 in Schedule C annexed hereto (Parcels 2, 3, 4, 5 and 6 in Schedule C are hereinafter called the "Mint Premises"); and

G. All those certain tracts or parcels of land located in the County of Clark, State of Nevada, and more particularly described as Parcels 7, 8, 9, 10, 11, 12 and 13 in Schedule C annexed hereto (the "Nevada Club Premises") (the High Sierra Premises, the Mint Premises and the Nevada Club Premises are hereinafter collectively called the "Premises"); and

H. All the buildings, structures and improvements, now or at any time hereafter erected, constructed or situated on the Premises, or any part thereof, together with all alterations, additions and improvements thereto and all restorations and replacements thereof hereafter made from time to time (the same being hereinafter collectively called the "Buildings"); and

I. All machinery, apparatus, equipment, personal property and fixtures of every kind and nature whatsoever now or at any time hereafter located in, on or about the Buildings or upon the Premises, or attached to or used or useable in connection with the operation or maintenance of the Premises or the Buildings, or any part thereof, owned by Trustor or in which Trustor has or shall acquire an interest, including, but not limited to, all heating, lighting and power equipment, en-

gines, plumbing, electrical, mechanical, refrigeration, ventilating and air-conditioning equipment and apparatus, elevators, cranes, fittings, tools, ducts and compressors, together with all renewals and replacements of any thereof (the same being hereinafter collectively called the "Building Equipment"); and

J. All right, title and interest of Trustor, whether now owned or hereafter acquired, in and to any opened or proposed avenues, streets, roads, public places, sidewalks, alleys, strips or gores of land, in front of or adjoining or used in connection with the Premises or the Buildings, and all easements, air rights, tenements, hereditaments, appurtenances, rights and rights of way, public or private, pertaining or belonging to the Premises or the Buildings; and

K. All right, title and interest of Trustor, if any, whether now owned or hereafter acquired, in and to riparian and other water rights in, to and over the Colorado River, and any land adjoining the Nevada Club Premises created by artificial means or by accretion; and

L. All insurance proceeds and any awards and payments, including interest thereon, which may be made in respect of all or any part of the Premises, the Buildings and/or the Building Equipment, or any estate or easement therein, as a result of damage to or destruction of all or any part of the Buildings and Building Equipment, the exercise of the right of condemnation or eminent domain, the closing of, or the alter-

ation of the grade of, any street on or adjoining the Premises, or any other injury to or decrease in the value of all or any part of such property, to the extent of the Obligations, subject to Trustor's rights set forth herein to apply such proceeds and awards to the restoration of the Property, to apply the same or any part thereof toward the payment or performance of the Obligations, notwithstanding the fact that the same may not be due and payable; and Trustor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning said proceeds and awards and payments to Beneficiary free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

M. All right, title and interest of Trustor in and to any and all present and future Leases of all or any part of the Property, including, without limitation, the Operating Lease, and in and to the rents, issues and profits payable thereunder and cash or securities deposited thereunder as lessees' security deposits; and

N. To the extent permitted by law, the franchises, permits, licenses and rights therein respecting the use, occupation and operation of the Premises, the Buildings and the Building Equipment or the activities conducted thereon or therein.

O. All modifications, extensions and renewals of the Ground Leases and all credits, deposits, options, privileges and rights of Trustor under the Ground Leases.

TO HAVE AND TO HOLD the Property unto Trustee, its successors, heirs and assigns, forever.

AND TRUSTOR COVENANTS, REPRESENTS AND WARRANTS TO AND WITH BENEFICIARY AND TRUSTEE AS FOLLOWS:

1. Certain Definitions. The following terms shall, for all purposes of this Deed of Trust, have the respective meanings herein specified unless the context otherwise requires:

(a) "Architect" shall have the meaning provided in subparagraph 9(b)(i);

(b) "Award" shall have the meaning provided in subparagraph 17(a);

(c) "Banks" shall have the meaning provided in page 1 hereof;

(d) "Beneficiary" shall mean the Beneficiary herein named and any subsequent beneficiary of this Deed of Trust, and its or their respective successors and assigns;

(e) "Building Equipment" shall have the meaning provided in Paragraph I of the recitals;

(f) "Buildings" shall have the meaning provided in Paragraph H of the recitals;

(g) "Business Day" shall mean any day which is not a Saturday or a Sunday and on which banks in the States of

New York, Nevada and California are not authorized or required to close;

(h) "Capital Addition Loans" shall mean the loans evidenced by the Capital Addition Notes;

(i) "Capital Addition Notes" shall have the meaning provided in the recitals;

(j) "Collateral" shall have the meaning given such term in the Loan Agreement;

(k) "Default Rate" shall mean the rate which is the lesser of (i) three percent (3%) per annum in excess of the Prime Rate or (ii) the maximum interest rate permitted by applicable law. The Default Rate, if determined under clause (i) of the immediately preceding sentence, shall change upon any change in the Prime Rate, which change shall become effective immediately upon any change in the Prime Rate;

(l) "DEW" shall mean Del E. Webb Corporation, an Arizona corporation;

(m) "Elwell Lease" shall mean the Ground Lease described as item no. 4 in Schedule B;

(n) "Events of Default" shall have the meaning provided in Paragraph 20;

(o) "Ground Leases" shall mean the STC Sub-lease, the Sage Lease and the Parry Lease;

(p) "High Sierra" shall mean the High Sierra Premises, and the Buildings and Building Equipment located thereon;

(q) "High Sierra Premises" shall have the meaning provided in Paragraph A of the recitals;

(r) "Impositions" shall have the meaning provided in Paragraph 6;

(s) "Junior Deed of Trust" shall mean that certain deed of trust of even date herewith granted by Trustor to First American Title Company of Nevada for the benefit of Sahara-Tahoe Corporation and Sahara-Nevada corporation, in the original principal amount of \$22,200,000 encumbering the Property, and any amendments thereto to the extent such amendments are permitted by the Loan Agreement and this Deed of Trust;

(t) "Lease" shall mean every lease or occupancy agreement (including, without limitation, the Operating Lease, but excluding the Ground Leases and the Park Cattle Lease) for the use or hire of all or any portion of the Property which shall be in effect at the date hereof, or which shall hereafter be entered into by or on behalf of Trustor or the Operating Company;

(u) "Legal Requirements" shall have the meaning provided in subparagraph 10(a);

(v) "lien" shall have the meaning provided in Paragraph 14;

(w) "Loan Agreement" shall have the meaning provided in the recitals;

(x) "Loan Documents" shall mean the Loan Agreement, the Notes, this Deed of Trust, the Collateral Assignment

of Operating Lease dated as of the date hereof from Trustor to Beneficiary, the Collateral Assignment of Leases and Rents dated as of the date hereof from Trustor and Operating Company to Beneficiary, and the Collateral Assignment of Rents dated as of the date hereof from Sahara-Tahoe Corporation to Beneficiary;

(y) "Major Loss" shall have the meaning provided in subparagraph 8(b);

(z) "The Mint" shall mean the Mint Premises and the Buildings and Building Equipment located thereon;

(aa) "Mint Premises" shall have the meaning provided in Paragraph F of the recitals;

(bb) "Net Proceeds" shall have the meaning provided in subparagraph 9(d);

(cc) "Nevada Club" shall mean the Nevada Club Premises and the Buildings and Building Equipment located thereon;

(dd) "Nevada Club Expansion" shall mean the construction of a 200-room hotel facility on the Nevada Club Premises and expansion of the existing casino located on the Nevada Club Premises, at an estimated cost not to exceed \$8,000,000, proposed to commence in 1987;

(ee) "Nevada Club Premises" shall have the meaning provided in Paragraph G of the recitals;

(ff) "Nevada Properties" shall mean collectively, the Nevada Club, the High Sierra and The Mint;

(gg) "Nonrecourse Party" shall have the meaning provided in Paragraph 50;

(hh) "Notes" shall have the meaning provided in the recitals;

(ii) "Notices" or "notices" shall have the meaning provided in Paragraph 38;

(jj) "Obligations" shall have the meaning provided in the recitals;

(kk) "Operating Company" shall have the meaning provided in subparagraph 11(a);

(ll) "Operating Lease" shall have the meaning provided in subparagraph 11(a);

(mm) "Park Cattle Lease" shall mean the ground lease dated November 14, 1962 between Park Cattle Company, as lessor, and Sahara-Nevada Corporation, as lessee (the interest of the lessee having been assigned to Sahara-Tahoe Corporation), as modified, amended or supplemented from time to time, with respect to the High Sierra Premises;

(nn) "Parry Lease" shall mean the Ground Lease described as item no. 3 in Schedule B;

(oo) "Person" shall mean an individual, corporation, partnership, trust, unincorporated organization or government, or any agency or political subdivision thereof, or any other business or legal entity;

(pp) "Premises" shall have the meaning provided in Paragraph G of the recitals;

(qq) "Prime Rate" shall mean the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its prime rate;

(rr) "Prior Liens" shall have the meaning provided in subparagraph 5(a);

(ss) "Property" shall have the meaning provided in the recitals;

(tt) "Sage Lease" shall mean the Ground Lease described as item no. 2 in Schedule B;

(uu) "Sage Premises" shall have the meaning provided in Paragraph 48;

(vv) "STC Sublease" shall mean the Ground Lease described as item no. 1 in Schedule B;

(ww) "Term Notes" shall have the meaning provided in the recitals;

(xx) "Trustee" shall mean the Trustee herein named and any substitute trustee and its or their successors and assigns;

(yy) "Trustor" shall mean the Trustor herein named and any subsequent owner or owners of the Property and its or their respective successors and assigns;

(zz) "Work" shall have the meaning provided in subparagraph 9(a).

2. Indebtedness Secured. This Deed of Trust has been given and is intended to secure the Obligations and any renewal, extension, modification or replacement of any of the

Obligations. This Deed of Trust shall remain in full force and effect with respect to all of the Property until all the Obligations shall have been paid and performed in full and the Banks' commitment to lend under the Loan Agreement is terminated.

3. Payment and Performance of Obligations. Trustor shall pay and perform the Obligations when due in accordance with the provisions of the Loan Documents.

4. Future Advances. In addition to securing other indebtedness, obligations, covenants, agreements and liabilities which constitute Obligations, this Deed of Trust secures all future advances that may subsequently be made by the Banks to be evidenced by any of the Loan Documents and all renewals and extensions thereof.

5. Title to Property and Other Representations of Trustor. (a) Trustor represents and warrants that (i) it has an indefeasible estate in fee simple in the Nevada Club Premises and in that portion of the Mint Premises granted to Trustee hereunder pursuant to Paragraphs D and E of the recitals, and the Buildings and the Building Equipment located thereon, (ii) it has a good and insurable leasehold estate, under the Sage Lease and the Parry Lease in the portion of the Mint Premises granted to Trustee hereunder pursuant to Paragraphs B and C of the recitals, and in the Buildings and Building Equipment located thereon (other than the Buildings and Building Equipment located on the portion of the Mint

Premises granted to Trustee hereunder pursuant to Paragraph B of the recitals, in which Trustor has an estate in fee simple), (iii) it has a good and insurable subleasehold estate, under the STC Sublease, in the High Sierra Premises and the Buildings and Building Equipment located thereon, (iv) it owns the grantee's interest in the easement described in Paragraph F of the recitals, and the Buildings and the Building Equipment located thereon, and, to the best of its knowledge, there is no right of reversion existing with respect to such easement, (v) it has the good and unrestricted right, full power and lawful authority to mortgage the Property, and (vi) the Property is free of all liens, encumbrances, adverse claims and other defects of title whatsoever, except those listed on Schedule D annexed hereto and made a part hereof (the "Prior Liens"). Trustor does hereby and shall forever warrant and defend its title to and interest in the Property and the validity and priority of the lien of this Deed of Trust, to Trustee and Beneficiary and their successors and assigns, against all claims and demands whatsoever of any Person or Persons. There are no defenses or offsets to this Deed of Trust or to any of the Obligations.

(b) Trustor represents and warrants to Beneficiary that the Buildings presently on the Premises are in full compliance with all applicable zoning and building codes, ordinances and regulations (including, without limitation, all applicable retrofit and fire safety requirements).

6. Impositions. Trustor shall pay on or before the dates on which interest and/or penalty may begin to accrue, all real estate taxes, personal property taxes, assessments, water and sewer rates and charges, license fees, all charges which may be imposed for the use of vaults, chutes, areas and other space beyond the lot line and abutting the public side-walks in front of or adjoining the Premises and all other governmental levies and charges (herein collectively called "Impositions"), of every kind and nature whatsoever, general and special, ordinary and extraordinary, foreseen and unforeseen, which shall be assessed, levied, confirmed, imposed or become a lien upon or against the Property or any part thereof, or which shall become payable with respect thereto. Trustor shall deliver to Beneficiary, within 20 days after the due date of each such payment, the original or a photostatic copy of the official receipt evidencing such payment or other proof of payment satisfactory to Beneficiary. Provided that Trustor complies with the foregoing provisions of this paragraph, Trustor may, after such payment, if permitted by any applicable Ground Lease, upon prior notice to Beneficiary and at the expense of Trustor, contest in good faith and by appropriate proceedings the amount of any Imposition or the assessed valuation of any one or more of the Nevada Properties.

7. Maintenance and Alterations. (a) Trustor shall put, keep and maintain the Premises, the Buildings and the Building Equipment and the sidewalks, curbs, alleys and dock-

ing facilities adjoining or abutting the same in good and lawful order, condition and repair, and Trustor shall make or cause to be made, as and when the same shall become necessary, all structural and non-structural repairs, whether exterior or interior, ordinary or extraordinary, foreseen or unforeseen. Trustor shall not commit or suffer any waste of the Premises, the Buildings or the Building Equipment and shall not demolish or remove or permit the demolition or removal of the Buildings or the Building Equipment (except for normal replacement of the Building Equipment or removal of Building Equipment that is promptly replaced by equipment of equal or greater utility and value (assuming the replaced Building Equipment was maintained in accordance with this Deed of Trust) unless such replacement is unnecessary due to technological advance), or any part thereof, without the prior written consent of Beneficiary in each instance.

(b) Trustor shall not (i) construct additions to or alter all or part of the Buildings or the Building Equipment, or (ii) construct any new or additional buildings on the Property, except to the extent that the expenditure in respect thereof shall be permitted under Section 5.3 of the Loan Agreement for such year; provided, however, that in no event shall Trustor take any of the foregoing actions in this subparagraph 7(b) if (x) as a result thereof any Building currently being used for gaming shall no longer be suitable for gaming to the same extent as theretofore or (y) Beneficiary,

in the good faith exercise of its discretion, believes that (A) such Nevada Property as so altered would not be of equal utility and value as before such alteration or addition, (B) after such alteration or addition the use of the Nevada Property in question would not be comparable to that of such Nevada Property prior to such alteration or addition, or (C) such Nevada Property, as altered, would not be in full compliance with all applicable Legal Requirements. Any building hereafter constructed on the Premises, or any portion thereof, shall be in compliance with all applicable zoning and building codes, ordinances and regulations and shall lie wholly within the boundaries of the Premises.

8. Insurance. (a) Trustor shall provide and keep in force for the benefit of Beneficiary, with respect to the Buildings and Building Equipment, (i) insurance against loss or damage by fire, other hazards covered by so-called "extended coverage," and such other casualties and hazards as Beneficiary shall require from time to time, in an amount not less than the greater of (A) the amount sufficient to prevent Trustor from becoming a co-insurer or (B) the cost of replacing the Buildings and the Building Equipment, exclusive of the cost of excavations, foundations and footings and without deduction for depreciation, (ii) flood insurance covering the Nevada Club and, if located in an area designated as a flood hazard area by the U.S. Department of Housing and Urban Development, the High Sierra and The Mint, (iii) rent insurance

covering at least one year's rental under the Leases, (iv) boiler and machinery insurance, (v) comprehensive general liability insurance against claims for bodily injury, death or property damage, in an amount of at least \$100,000,000, (vi) water damage legal liability insurance, and (vii) such other insurance as may be required under the Loan Agreement. The policies of insurance required by this subparagraph 8(a) shall insure the respective interests of Trustor, Trustee and Beneficiary, and the insurance proceeds thereof (other than the proceeds from the policy required under clause (v) above) shall, to the extent required in this Deed of Trust or in the Loan Agreement, be payable to Beneficiary pursuant to a non-contributing mortgagee endorsement satisfactory to Beneficiary. All insurance policies required to be effected by this Deed of Trust shall (1) provide that any losses shall, to the extent required in this Deed of Trust and in the Loan Agreement, be payable to Beneficiary notwithstanding (A) any act, failure to act or negligence or violation of any warranties, declarations or conditions contained in such policy by any named insured, (B) the occupation or use of the Buildings or the Premises for purposes more hazardous than permitted by the terms thereof, (C) any foreclosure or other action or proceeding taken by Trustee or Beneficiary pursuant to any provision of this Deed of Trust, or (D) any change in title to or ownership of the Property, (2) provide that no cancellation, reduction in amount or material change in coverage thereof shall be

effective until at least 30 days after receipt by Beneficiary of written notice thereof, and (3) be reasonably satisfactory in all other respects to Beneficiary. All insurance policies required under clauses (i), (ii), (iii), (iv), (vi) and (vii) of this subparagraph 8(a) shall contain effective waivers by the insurer of all rights of subrogation against (1) any Person which may have been responsible for the loss insured against, (2) the Obligations secured by this Deed of Trust and (3) the Property. Trustor shall not permit any condition to exist with respect to the Property which would wholly or partially invalidate any of the insurance thereon. Trustor may effect the insurance coverage required hereunder, in whole or in part, under one or more blanket insurance policies, provided that, and so long as, (w) each such blanket policy shall specify thereon the total insurance allocated to each of the Nevada Properties, (x) each such blanket policy shall otherwise comply in all respects with this Deed of Trust, (y) Beneficiary shall be named as an additional insured under each such blanket policy to the extent required hereunder, and (z) the protection afforded thereunder shall be not less than that which would have been afforded under a separate policy with respect to the same insured risks.

(b) In the case of each separate loss due to fire or other casualty in excess of \$100,000 (a "Major Loss"), Beneficiary shall have the right, but not the obligation, on behalf of Trustor, to adjust and compromise any claims under

such insurance, collect and receive the proceeds thereof and execute and deliver all proofs of loss, receipts, vouchers and releases in connection with such claims. Beneficiary is hereby irrevocably appointed attorney-in-fact for Trustor for such purposes, and Trustor shall, upon request of Beneficiary, execute any proofs of loss, receipts, vouchers and releases in connection with such claims. Trustor shall not adjust or compromise any claims under such insurance, or collect and receive the proceeds thereof, without the prior written consent of Beneficiary. So long as no Event of Default shall have occurred and be continuing, Trustor shall have the right to participate with Beneficiary in the adjustment and compromise of any Major Loss, but the decision of Beneficiary in any such case shall be binding and conclusive upon Trustor.

(c) Beneficiary may deduct from the proceeds of the insurance required to be maintained by Trustor pursuant to subparagraph 8(a), other than the insurance required under clause (v) thereof, any reasonable expenses, including, without limitation, legal fees, incurred by it in connection with obtaining such proceeds, and Beneficiary may, at its option, either apply such proceeds in reduction or satisfaction of all or part of the Obligations, whether then matured or not (in such order of priority as Beneficiary shall elect) or release such proceeds to Trustor in whole or in part upon conditions satisfactory to Beneficiary. All of Trustor's right, title and interest in and to unearned premiums under such policies

are hereby assigned to Beneficiary, which assignment shall be effective upon the occurrence of an Event of Default. The application of such insurance proceeds toward the payment or performance of the Obligations shall not be deemed a waiver by Beneficiary of its right to receive payment or performance of the remainder of the Obligations and the interest thereon in accordance with the provisions of this Deed of Trust.

(d) Notwithstanding the foregoing subparagraph 8(c), so long as (i) no Event of Default shall have occurred and be continuing, (ii) the Major Loss occurs on or before January 3, 1993, and (iii) a decision to restore has been made in accordance with the provisions of subparagraph 9(a) below, then the Net Proceeds of any insurance with respect to such Major Loss shall be applied to the restoration of the Premises in accordance with Paragraph 9.

(e) In the event of a foreclosure of this Deed of Trust or other action or proceeding taken by Trustee or Beneficiary pursuant to any provision of this Deed of Trust, the purchaser of the Property shall succeed to all of the rights of Trustor, including any right to unearned premiums, in and to all policies of insurance which Trustor is required to maintain under this Paragraph 8 and to all proceeds of such insurance.

9. Restoration. (a) If any of the Buildings or the Building Equipment shall be damaged or destroyed, in whole or in part, by fire or other casualty, or by any taking in

condemnation proceedings or the exercise of any right of eminent domain, Trustor shall, within 90 days after the occurrence of such damage, destruction or taking, as the case may be, notify Beneficiary whether Trustor intends to restore, replace or rebuild the same (the "Work"). Such notice shall state with reasonable specificity Trustor's reasons for its decision on whether or not to perform the Work. If Trustor shall have decided to perform the Work and shall have so notified Beneficiary within such 90-day period, such decision shall be subject to Beneficiary's approval, which approval shall not be unreasonably withheld or delayed. Beneficiary shall not be deemed to be unreasonable in withholding its approval if (i) after the completion of the Work the Nevada Property in question would no longer be suitable for gaming to the same extent as theretofore, or (ii) Beneficiary, in the good faith exercise of its discretion, believes that (A) the remainder of the Nevada Property in question could not be restored so that such Nevada Property as so restored would be of equal utility and value as before such damage, destruction or taking, (B) it would not be feasible to restore the remainder of the Nevada Property in question for use comparable to that of the entire Nevada Property in question prior to such damage, destruction or taking, or (C) such Nevada Property, as so restored, would not be in full compliance with all applicable Legal Requirements. If Beneficiary grants such approval, Trustor shall promptly perform the Work and restore, replace

or rebuild the Buildings and Building Equipment in question to as nearly as possible the value, quality, use and condition they were in immediately prior to such fire or other casualty or taking, with such alterations or changes as may be approved in writing by Beneficiary, and in full compliance with all Legal Requirements. If (x) Trustor shall have decided not to perform the Work, (y) Trustor shall not have notified Beneficiary of its decision within such 90-day period, or (z) Beneficiary shall have disapproved Trustor's decision to perform the Work, then the Net Proceeds or Award in question shall be applied in reduction or satisfaction of all or part of the Obligations, whether then matured or not, in such order of priority as Beneficiary shall elect. Trustor shall give prompt notice to Beneficiary of any damage or destruction to all or any part of the Property by fire or other casualty, as well as the initiation or threat of any condemnation or eminent domain proceeding affecting the same.

(b) Before commencing the Work, Trustor shall comply with the following requirements:

(i) Trustor shall furnish to Beneficiary complete plans and specifications for the Work, for Beneficiary's prior approval, which approval shall not be unreasonably withheld or delayed. Beneficiary shall not be deemed to be unreasonable if, in the case of plans and specifications furnished to Beneficiary with respect to alterations or additions to be made under subparagraph 7(b), Beneficiary conditions

such approval on the prepayment by Trustor of a portion of the Obligations. Said plans and specifications shall bear the signed approval thereof by an architect licensed in the State of Nevada chosen by Trustor and reasonably satisfactory to Beneficiary (the "Architect") and shall be accompanied by the Architect's and contractor's signed estimate of the entire cost of completing the Work.

(ii) Trustor shall furnish to Beneficiary certified or photostatic copies of all permits and approvals required by law in connection with the commencement and conduct of the Work.

(iii) If the difference between the amount of the Net Proceeds then held by Beneficiary and the Architect's and contractor's estimated value of the Work exceeds \$500,000 and the contractor to perform the Work is not either (x) DEW or (y) a subsidiary of DEW the performance of which is guaranteed by DEW pursuant to a guaranty in form and substance reasonably acceptable to Beneficiary, then Trustor shall furnish to Beneficiary, prior to the commencement of the Work, a surety bond for or guaranty of completion of and payment for the Work, which bond or guaranty shall be (A) issued by an institution with assets of no less than 500 million dollars or another party acceptable to Beneficiary in its sole discretion, (B) in form satisfactory to Beneficiary, and (C) in an amount not less than 110% of the Architect's and contractor's estimate of the entire cost of completing the Work, less the

amount of the Net Proceeds, if any, then held by Beneficiary (after application of a portion thereof to the purchase of the same pursuant to this subparagraph). In lieu of such surety bond or guaranty of completion, Trustor may furnish Beneficiary with a letter of credit or other security, in form and substance, and from a Bank or other issuer, satisfactory to Beneficiary in its sole discretion. Unless an Event of Default shall have occurred and be continuing, such surety bond, guaranty, letter of credit or other security may be purchased by Trustor with a portion of the Net Proceeds, if any, which portion (to the extent required to purchase such bond, guaranty, letter of credit or other security) shall be released to Trustor for such purpose.

(c) Trustor shall not commence any of the Work until Trustor shall have complied with the above requirements, and thereafter Trustor shall perform the Work diligently and in good faith in accordance with the plans and specifications referred to in subparagraph 9(b)(i) above.

(d) So long as the Work is being diligently performed by Trustor in accordance with the provisions of this Deed of Trust, Beneficiary shall disburse any Net Proceeds to Trustor from time to time during the course of the Work in accordance with the provisions of this Paragraph 9. The term "Net Proceeds" shall mean the insurance proceeds paid to Beneficiary with respect to a Major Loss as a result of damage to the Buildings or Building Equipment by reason of fire or other

casualty, less the reasonable costs incurred by Beneficiary in recovering and paying out such proceeds (including attorneys' fees and costs allocable to inspecting the Work and the plans and specifications therefor). Beneficiary shall not be required to make disbursements more often than at 30 day intervals. Trustor shall make written request for each disbursement at least seven days in advance and shall comply with the following requirements in connection with each disbursement:

(i) Trustor shall deliver to Beneficiary, at the time of request for a disbursement, a certificate of the Architect, dated not more than 10 days prior to the application for withdrawal of funds, setting forth the following:

(A) That the sum then requested to be withdrawn either has been paid by Trustor and/or is justly due to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated) who have rendered or furnished services or materials for the Work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and respective amounts so paid or due to each of said Persons in respect thereof and stating the progress of the Work up to the date of said certificate;

(B) That the sum then requested to be withdrawn, plus all sums previously withdrawn, does not exceed the cost of the Work insofar as actually accomplished up to the date of such certificate;

(C) That the remainder of the Net Proceeds held by Beneficiary will be sufficient to pay in full the then estimated cost of completion of the Work (or, if not, that Trustor has deposited with Beneficiary cash or other collateral in form and substance satisfactory to Beneficiary in an amount equal to the difference between the remainder of the Net Proceeds and the cost of completion of the Work); and

(D) That no part of the cost of the services and materials described in the foregoing subparagraph 9(d)(i)(A) has been or is being made the basis of the withdrawal of any funds in any previous or then pending application.

(ii) Trustor shall execute and deliver to Beneficiary a certificate, dated not more than 10 days prior to the application for withdrawal of funds, stating that, except for the amounts, if any, specified in subparagraph 9(d)(i)(A) to be due for services or materials, there is no outstanding indebtedness known which is then due or payable for work, labor, services or materials in connection with the Work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialman's statutory or other similar lien upon the Property or any part thereof.

(iii) Trustor shall deliver to Beneficiary satisfactory evidence that the Property and every part thereof, and all materials and all property described in the certificate furnished pursuant to subparagraph 9(d)(i)(A), are

free and clear of all mortgages, liens, charges or encumbrances, except (A) encumbrances, if any, securing indebtedness due to Persons (whose names and addresses and the several amounts then due shall be stated) specified in said certificate furnished pursuant to subparagraph 9(d)(i)(A), which encumbrances will be discharged upon disbursement of the funds then being requested, (B) this Deed of Trust and (C) liens permitted under Paragraph 14 hereof, and Beneficiary shall accept as satisfactory evidence under this subparagraph 9(d)(iii) a certificate of a title insurance company acceptable to Beneficiary, dated as of the date of the making of the disbursement, confirming the foregoing.

.(iv) If the Work involves restoration of the exterior of any of the Buildings, then at such times as (A) 50% of the Net Proceeds shall have been advanced and (B) the final advance of Net Proceeds shall be made, Trustor shall deliver to Beneficiary a survey of the Nevada Property in question, which survey shall be dated as of a date within 10 days prior to the making of the advance (or revised to a date within 10 days prior to the advance) in question showing no encroachments by the Work other than those set forth on those certain surveys of the Nevada Properties by SEA Incorporated dated, in the case of The Mint, November 1, 1984, in the case of the High Sierra, October 31, 1984, and in the case of The Nevada Club, November 1, 1984 and November 9, 1984.

(v) No Event of Default shall have occurred and be continuing.

(e) Upon compliance by Trustor with the requirements of subparagraphs 9(b), (c) and (d), Beneficiary shall (subject to the provisions of subparagraph 9(f) below), to the extent of the Net Proceeds, if any, deposit the respective amounts in a separate account in Morgan Guaranty Trust Company of New York, in its capacity as agent, in the name of Trustor, which amounts shall be used by Trustor only to pay or cause to be paid to the Persons named in the certificate furnished pursuant to the foregoing subparagraph 9(d)(i)(A), the respective amounts stated in said certificate to be due them, and shall pay to Trustor the amounts stated in said certificate to have been paid by Trustor. Trustor need not pay such Persons amounts for work performed or materials delivered if, and only to the extent that, any such amounts are the subject of a "holdback" provision contained in any such Person's sub-contract.

(f) If at any time an Event of Default shall have occurred and be continuing, then, notwithstanding anything in this Paragraph 9 to the contrary, Beneficiary may apply all or any part of any Net Proceeds in reduction of the Obligations.

10. Compliance with Laws, etc. (a) Trustor shall promptly comply with, or cause to be complied with, all present and future laws, statutes, ordinances, rules, regulations

and other requirements of all governmental or quasi-governmental authorities whatsoever having jurisdiction of or relating to all or any part of the Property and the sidewalks, curbs, alleys, waterways and docking facilities adjoining or abutting the Premises ("Legal Requirements"), and the condition, repair, maintenance, use and occupation thereof; and Trustor shall promptly make, or cause to be made, all changes, alterations and improvements necessary to comply with all such present and future laws, statutes, ordinances, rules, regulations and other requirements.

(b) Trustor shall promptly perform and observe, or cause to be performed and observed, all of the terms, covenants and conditions of all Prior Liens, noncompliance with which shall affect the security of this Deed of Trust, or shall impose any duty or obligation upon Trustor or any tenant or other occupant of the Property or any part thereof, and Trustor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Property.

(c) Trustor shall not use or permit the use of the Property in any manner which would impair the value of the Property or which would violate any use or other restriction contained in any policy of insurance required under subparagraph 8(a).

11. Leasing. (a) Trustor shall not hereafter, directly or indirectly, make or enter into or extend or renew any Lease of all or any part of the Property, until the same shall have been submitted to and approved in writing by Beneficiary. Notwithstanding the foregoing, (i) Trustor may enter into a Lease (the "Operating Lease") with Nevada Casino Hotels, Inc., a Nevada corporation (the "Operating Company"), with respect to all of the Property provided that the Operating Lease (A) is subject and subordinate to this Deed of Trust, (B) provides that upon the foreclosure or sale of the Property pursuant to this Deed of Trust, the tenant under the Operating Lease will, at the option of Beneficiary or its designee, attorn to and recognize Beneficiary or its designee, or the purchaser at a foreclosure sale or other sale of the Property made pursuant to this Deed of Trust, as the case may be, as the landlord under the Operating Lease, and (C) is otherwise in such form as may be acceptable to Beneficiary, and (ii) Trustor or the Operating Company may enter into other Leases of space in the Property, provided that each such Lease is made in the ordinary course of business, is subject and subordinate to the Operating Lease and is expressly subject and subordinate to this Deed of Trust, and any Lease entered into under clause (i) or (ii) above that does not comply with the foregoing shall, at the option of Beneficiary, be null and void. Trustor shall deliver, or cause to be delivered, to Beneficiary a duplicate original of each Lease (including such

Leases as are entered into under clause (i) or (ii) above) promptly after the execution thereof. In permitting Trustor to enter into Leases pursuant to this Paragraph 11, Beneficiary is not, and shall not be deemed to be, consenting to any provision in any Lease (including, without limitation, the Operating Lease).

(b) Trustor shall not, without the prior written approval of Beneficiary in each instance, (i) change, amend or modify, in any manner whatsoever, the Operating Lease so as to reduce or diminish the obligations thereunder of the tenant or adversely affect the validity or enforceability of the Operating Lease; (ii) terminate or accept a surrender or suffer or permit any termination or surrender of the Operating Lease, in any manner whatsoever; (iii) commence any summary proceeding or other action to recover space leased pursuant to the Operating Lease; or (iv) receive, collect or accept, or permit the receipt, collection or acceptance of, any prepayment of rent or other charges under the Operating Lease in advance, except as otherwise provided in that certain Collateral Assignment of Operating Lease of even date herewith from Operating Company to Beneficiary. Trustor shall not, without the prior written approval of Beneficiary in each instance, except in the ordinary course of business, (x) change, amend or modify any Lease (other than the Operating Lease) so as to reduce or diminish the obligations thereunder of the tenant or adversely affect the validity or enforceability of any such

Lease; (y) terminate or accept a surrender or suffer or permit any termination or surrender of any Lease (other than the Operating Lease); or (z) commence any summary proceeding or other action to recover space leased pursuant to any Lease (other than the Operating Lease), and in no event shall Trustor receive, collect or accept, or permit the receipt, collection or acceptance of, any prepayment of rent or other charges under any Lease (other than the Operating Lease) for more than one month in advance, except that Trustor may, at the time of the execution of any such Lease, accept rent security deposits, which shall be held by Trustor in accordance with subparagraph 11(c).

(c) Trustor shall at all times fully and promptly comply with, keep and perform all of the terms, covenants, provisions and conditions of the Operating Lease on the part of the landlord thereunder to be complied with, kept and performed, and will not do or permit anything to be done which will constitute a breach of any of the terms, covenants, provisions and conditions thereof. Trustor shall enforce at the direction of Beneficiary only the performance and observance of each and every term, covenant, provision and condition of the Operating Lease to be performed or observed on the part of the tenant thereunder. Trustor shall give prompt notice to Beneficiary of (i) any notice received by Trustor of any default by the landlord under the Operating Lease, (ii) the commencement of any action or proceeding by the tenant under the

Operating Lease the purpose of which shall be the cancellation of the Operating Lease or a diminution or abatement of the rent payable thereunder, or (iii) the interposition by the tenant under the Operating Lease of any defense or counter-claim in any action or proceeding brought by Trustor against such tenant; and Trustor will cause a copy of any process, pleading or notice received or served by Trustor in reference to any such action, defense or claim to be promptly delivered to Beneficiary. Trustor shall hold in trust all security deposits and advance rent given on account of any Lease, and deposit such security in a bank or trust company and shall not mingle such funds with other funds. Trustor shall repay or apply such funds only in accordance with the provisions of the pertinent Leases and applicable law.

12. No Claims Against Trustee or Beneficiary, etc.

Nothing contained in this Deed of Trust shall constitute any consent or request by Trustee or Beneficiary, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof, or be construed to permit the making of any claim against Trustee or Beneficiary in respect of labor or services or the furnishing of any materials or other property or any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Deed of Trust.

13. Due on Sale. If, without the prior written consent of Beneficiary, Trustor sells, conveys, alienates, assigns, subleases or transfers the Property, or any part thereof or interest therein in any manner (other than by the creation of Leases to the extent permitted in Paragraph 11), whether voluntarily or involuntarily, or by operation of law or otherwise, then Beneficiary shall have the right, at its option and in its sole discretion, at any time thereafter to declare the Obligations immediately due and payable. Without limiting the generality of Paragraph 32 hereof, no waiver of this right or delay in the exercise thereof shall operate as a waiver thereof unless Beneficiary shall have executed and delivered to Trustor a written waiver of such right.

14. Liens. This Deed of Trust is and shall be maintained as a valid first lien on the Property subject only to the Prior Liens and any easements, restrictions and encumbrances created pursuant to the Loan Documents. Trustor shall not, directly or indirectly, create or suffer or permit to be created, or to stand, against the Property or any portion thereof, or against the rents, issues and profits therefrom, any lien, charge, mortgage, deed of trust, adverse claim or other encumbrance (herein collectively referred to as a "lien"), whether senior or junior in lien to this Deed of Trust, other than the lien of this Deed of Trust, any Leases entered into pursuant to Paragraph 11 of this Deed of Trust, any liens permitted under Section 5.4 of the Loan Agreement

and any other liens created pursuant to the Loan Documents; provided, however, that nothing contained in this Paragraph 14 shall require Trustor to pay any real estate taxes or other Impositions, prior to the time when same are required to be paid under Paragraph 6 of this Deed of Trust. In no event shall Trustor do or permit to be done, or omit to do or permit the omission of, any act or thing, where such act or omission would impair the security of this Deed of Trust.

15. Beneficiary's Right to Perform Trustor's Covenants. (a) If Trustor shall fail to fully and promptly pay, perform or observe any of the Obligations within any applicable grace period set forth herein, then, in any such event, Beneficiary may, at its option and in its sole discretion, but without any obligation so to do, and without waiving or releasing Trustor from any of the Obligations, pay any Obligation or cost or perform any Obligation or act or take such action as Beneficiary deems necessary or desirable in order to cause such Obligation to be paid, performed or observed, as the case may be. Trustor hereby expressly grants to Beneficiary, and agrees that Beneficiary shall have, the absolute and immediate right to enter in and upon the Property or any part thereof to such extent and as often as Beneficiary, in its sole discretion, deems necessary or desirable for such purpose. Beneficiary may pay and expend such sums of money as Beneficiary, in its sole discretion, deems necessary for any such purpose, and Trustor hereby agrees to pay to Beneficiary,

on demand, all such sums so paid or expended by Beneficiary, together with interest thereon from the date of each such payment or expenditure at the Default Rate. All sums so paid or expended by Beneficiary, and the interest thereon, shall be added to and included in the Obligations and shall be secured by the lien of this Deed of Trust.

(b) If Trustor shall fail to fully and promptly pay, perform or observe any of the Obligations which arise under or in connection with any Prior Lien (including, without limitation, any of the Ground Leases), then, in any such event, Beneficiary may, at its option and in its sole discretion, but without any obligation so to do, and without waiving or releasing Trustor from any of its Obligations, pay such obligation or cost or perform such obligation or act or take such action as Beneficiary deems necessary in order to cause such obligations to be paid, performed or observed, as the case may be. All sums so paid or expended by Beneficiary, with interest thereon at the Default Rate from the time of such payment or expenditure, shall, on demand, be immediately due from Trustor to Beneficiary and shall be added to and included in the Obligations and shall be secured by this Deed of Trust. Trustor agrees to fully and promptly pay and perform all of its covenants, conditions and obligations under or in connection with any Prior Lien or the Junior Deed of Trust and that any such Prior Lien or the Junior Deed of Trust shall not be modified, amended, extended or increased in any manner

whatsoever without the prior written consent of Beneficiary, in each instance.

(c) If there shall be a default under any Prior Lien or the Junior Deed of Trust or any note or other obligation secured thereby or given in connection therewith, or if any action, suit or proceeding shall be commenced to foreclose, or exercise a power of sale under, any Prior Lien or the Junior Deed of Trust, then, in any of such events, the whole of the Obligations secured hereby shall become immediately due and payable at the option of Beneficiary.

(d) Trustor shall give prompt notice to Beneficiary of any notice of default received by Trustor with respect to any Prior Lien or the Junior Deed of Trust, together with a true or photostatic copy of such notice of default.

16. Certificate of Trustor. Trustor, upon request of Beneficiary, shall promptly certify to Beneficiary or to any proposed assignee of this Deed of Trust, by an instrument in form satisfactory to Beneficiary, duly acknowledged, the amount then owing on the Obligations and the date to which interest thereon has been paid and, to the best knowledge of the person signing such certificate on behalf of Trustor, whether any offsets or defenses exist against payment thereof or performance of any Obligation. Beneficiary and any proposed assignee of this Deed of Trust shall have the right to rely on such certification.

17. Condemnation. (a) Trustor shall give notice to Beneficiary upon Trustor's learning of the commencement or threat of any action or proceeding to take all or any portion of the Property by exercise of the right of condemnation or eminent domain or of any action or proceeding to close or to alter the grade of any street on or adjoining the Premises. Beneficiary may participate in any such action or proceeding in the name of Beneficiary or, whenever necessary, in the name of Trustor, and Trustor shall deliver to Beneficiary such instruments as Beneficiary shall request to permit such participation. Trustor shall not settle any such action or proceeding or agree to accept any award or payment without the prior written consent of Beneficiary, and the total of all awards made or allowed with respect to all right, title and interest in and to the Property or the portion or portions thereof taken or affected by such condemnation or eminent domain proceeding and any interest thereon (hereinafter collectively called the "Award") is hereby assigned to and shall be paid to Beneficiary and the amount received shall be retained and applied as provided in subparagraphs 17(b) and (c) hereof.

(b) The Obligations may be accelerated at the option of Beneficiary as a result of the exercise of the right of condemnation or eminent domain in respect of all or substantially all of any Nevada Property, in which event Beneficiary shall retain and apply the Award toward payment and performance of the Obligations (in such order of priority as Ben-

eficiary shall elect); provided, however, that to the extent that the Award received by Beneficiary shall exceed the amount required to satisfy in full the then total amount of the Obligations, Beneficiary shall pay over to Trustor the amount of such excess and provided, further, that until Beneficiary receives the Award, the Obligations shall continue unimpaired. For purposes of this Paragraph 17, a taking of "substantially all" of a Nevada Property shall mean a taking (i) which results in the revocation of any license necessary for the operation of a hotel and casino at the Nevada Property in question, or (ii) of such nature that Beneficiary, in the good faith exercise of its discretion, believes that after such taking (A) the remainder of the Nevada Property in question could not be restored so that such Nevada Property as so restored would be of equal utility and value as before such taking, (B) it would not be feasible to restore the remainder of the Nevada Property in question for use comparable to that of the entire Nevada Property in question prior to such taking, or (C) such Nevada Property, as so restored, would not be in full compliance with all applicable Legal Requirements. If there is a taking of all or any portion of any Nevada Property in any such proceeding and Beneficiary does not require prepayment of the Obligations, then, unless the conditions set forth in subparagraph 17(c) are satisfied, at the option of Beneficiary, the Award shall be (x) retained and applied by Beneficiary toward the payment or performance of the Obliga-

tions in such order of priority as Beneficiary may elect or (y) paid over in whole or in part to pay or reimburse Trustor for the cost of restoring or reconstructing the Building and the Building Equipment located on the Nevada Property in question in a manner and on conditions satisfactory to Beneficiary. In no event shall Beneficiary be required to release or reconvey this Deed of Trust until the Obligations shall have been satisfied in full and the Banks' commitment to lend under the Loan Agreement is terminated, and Trustee shall not be required to release from the lien of this Deed of Trust any portion of the Property so taken until Beneficiary receives the Award for the portion so taken.

(c) If there is a taking of less than substantially all of a Nevada Property in any such condemnation or eminent domain proceeding and if (i) no Event of Default shall have occurred and be continuing, (ii) the Award with respect to such action or proceeding is received by Beneficiary on or before January 3, 1993, and (iii) a decision to restore has been made in accordance with the provisions of subparagraph 9(a), then the Award, less any sums paid by Beneficiary in connection with such action or proceeding (including, without limitation, reasonable attorneys' fees), shall be applied to the restoration of the remainder of the Nevada Property in question in accordance with the requirements and procedures set forth in Paragraph 9 (the Award, less such sums paid by Beneficiary, being treated as Net Proceeds).

(d) The application of the Award toward payment or performance of the Obligations shall not be deemed a waiver by Beneficiary of its right to receive payment or performance of the balance of the Obligations in accordance with the provisions of the Loan Documents. Beneficiary shall have the right, but shall be under no obligation, to question the amount of the Award, and Beneficiary may accept same without prejudice to the rights that Beneficiary may have to question such amount. In any such condemnation or eminent domain action or proceeding Beneficiary may be represented by attorneys selected by Beneficiary, and all sums paid by Beneficiary in connection with such action or proceeding (including, without limitation, reasonable attorneys' fees) shall, on demand, be immediately due from Trustor to Beneficiary and the same shall be added to the Obligations and shall be secured by this Deed of Trust.

(e) Notwithstanding any taking by condemnation or eminent domain, closing of, or alteration of the grade of, any street or other injury to or decrease in value of the Property by any public or quasi-public authority or corporation, the Obligations shall continue to bear interest at the rate payable pursuant to the applicable Loan Documents until the Award shall have been actually received by Beneficiary, and any reduction in the Obligations resulting from the application by Beneficiary of the Award shall be deemed to take effect only on the date of such receipt.

18. Assignment of Rents, etc. Trustor hereby absolutely and unconditionally assigns to Beneficiary the rents, issues and profits of the Property as further security for the payment and performance of the Obligations, and Trustor grants to Beneficiary the right to enter the Property for the purpose of collecting the same and to let the Property, or any part thereof, and to apply said rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the Obligations are fully paid and performed and the obligations and rights of the Banks to make future advances shall have terminated. Beneficiary hereby waives the right to enter the Property for the purpose of collecting said rents, issues and profits until the occurrence of an Event of Default. Said rents, issues and profits shall be paid to Trustor and Beneficiary, as the case may be, pursuant to a certain Collateral Assignment of Operating Lease from Trustor to Beneficiary and a certain Collateral Assignment of Leases and Rents from Trustor and Operating Company to Beneficiary, each of even date herewith. Trustor shall, from time to time after request by Beneficiary, execute, acknowledge and deliver to Beneficiary, in form satisfactory to Beneficiary separate assignments effectuating and confirming the foregoing. Beneficiary shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Trustor under any Lease or other agreement affecting all or any part of

the Property, and Trustor hereby agrees to indemnify Beneficiary for and save it harmless from, any and all liability arising from any such Lease or other agreement or any assignments thereof, and no assignment of any such Lease or other agreement shall place the responsibility for the control, care, management or repair of all or any part of the Property upon Beneficiary, nor make Beneficiary liable for any negligence in the management, operation, upkeep, repair or control of all or any part of the Property resulting in injury, death or property damage. In addition, if an Event of Default shall have occurred and be continuing, Trustor will pay monthly in advance to Beneficiary, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupancy of the Property or of such part thereof as may be in the possession of Trustor, and upon default in any such payment will vacate and surrender the possession thereof to Beneficiary or to such receiver, and in default thereof may be evicted by summary or other proceedings.

19. Inspection. Trustee, Beneficiary, any of the Banks and their authorized agents and employees shall have the right, at their option and upon prior written notice to Trustor, to enter the Property at all reasonable times for the purpose of inspecting the same, or showing the same to any participant or prospective participant in any loan(s) made

pursuant to any of the Loan Documents, or to any assignee or prospective assignee of this Deed of Trust.

20. Default. The Obligations shall, at the option of Beneficiary, become immediately due and payable upon the occurrence of one or more of the following events ("Events of Default"): (a) a default in reimbursing Beneficiary for any payments made by Beneficiary under Paragraph 15 for 5 Business Days after notice of same is given to Trustor; or (b) the actual or threatened waste, removal, alteration or demolition of any part of the Property except as otherwise provided in this Deed of Trust; or (c) the assignment by Trustor of any Lease or of the whole or any part of the rents, income or profits arising from the Property without the prior written consent of Beneficiary; or (d) the taking of all or a part of the Property as a result of the exercise of the right of condemnation or eminent domain except as otherwise provided in this Deed of Trust; or (e) if the lien created under this Deed of Trust at any time does not constitute a valid, perfected, and, except as and to the extent permitted under Paragraphs 6 and 14, first lien on the Property; or (f) a default by Trustor under Paragraph 13 of this Deed of Trust; or (g) the occurrence of an Event of Default (as such term is defined in the Loan Agreement) under the Loan Agreement; or (h) the failure of Trustor to pay any installments of principal and/or interest due under any of the Notes for 5 Business Days; or (i) the failure of Trustor to pay, perform or observe any other mone-

tary or non-monetary covenants or agreements of Trustor hereunder for 20 Business Days after notice of same is given to Trustor; or (j) default in the performance of Trustor's obligation to deliver a certificate under Paragraph 16 of this Deed of Trust for 15 Business Days; or (k) if any representation or warranty of Trustor set forth in any of the Loan Documents shall prove to be incorrect in any material respect as of the time when the same shall have been made.

21. Appointment of Receiver. After the occurrence of one or more Events of Default, or if any action shall be commenced to foreclose this Deed of Trust, or if any other action or proceeding is taken by Trustee or Beneficiary pursuant to any provision of this Deed of Trust, Beneficiary or Trustee may apply for the appointment of a receiver of the rents, issues, or profits of all or any part of the Property without notice or demand, and shall be entitled to the appointment of such receiver as a matter of right, to the extent not prohibited by applicable law, without consideration of the value of the Property as security for the amounts due to Beneficiary or the solvency of any Person liable for the payment of such amounts.

22. Judicial Foreclosure. After the occurrence of one or more Events of Default, Beneficiary may institute an action of foreclosure of this Deed of Trust, or take such other action, as the law may allow, at law or in equity, for the enforcement thereof and realization on the Property or any

other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of the Obligations at the rate stipulated in the applicable Loan Documents to the date of default and thereafter at the Default Rate, together with all other sums secured by this Deed of Trust, all costs of suit, and interest at the Default Rate on any judgment obtained by Trustee or Beneficiary from and after the date of any judicial sale of the Property (which may be sold in one parcel or in such parcels, manner or order as Beneficiary in its sole discretion shall elect) until actual payment. At any such sale Beneficiary may bid for and acquire the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness and other obligations of Trustor secured by this Deed of Trust the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Beneficiary is authorized to deduct under this Deed of Trust. The proceeds of such sale shall be applied first to the payment of the costs and charges of such sale, including, without limitation, Beneficiary's and Trustee's reasonable attorneys' fees, and second to the payment of the Obligations, the surplus money, if any, to be returned to Trustor or Trustor's successors and assigns. Trustor, for itself and its successors and assigns, hereby irrevocably waives and releases, to the extent permitted by law, and whether now or hereafter in

force, any right to have the Property marshalled upon any foreclosure of this Deed of Trust or sale of the Property pursuant to the provisions of this Deed of Trust. Failure to join or to provide notice to tenants under any of the Leases as defendants in any foreclosure action or suit shall not (i) constitute a defense to such foreclosure, (ii) reduce or diminish the amount of any such judgment in any manner whatsoever, or (iii) give rise to any claims by Trustor, or any person claiming through or under Trustor, against Beneficiary. Upon the request of Beneficiary and to the extent not prohibited by applicable law, Trustor shall execute and file with the clerk of the court a legally sufficient waiver of any statutory waiting period with respect to the execution of a judgment obtained by Beneficiary in connection with any foreclosure proceedings. The obligation of Trustor to so execute and file such waiver shall survive the termination or foreclosure of this Deed of Trust.

23. Possession of Property. To the extent permitted by law, after the occurrence of an Event of Default, Beneficiary, Trustee and their agents or assigns and any receiver appointed by a court are authorized to (i) take possession of the Property, with or without legal action, and by force if necessary; (ii) lease the same; (iii) collect all rents and profits therefrom; and (iv) after deducting all costs of collection and administration expense, apply the net rents and profits to the payment of Impositions, insurance premiums and

all other carrying charges (including, but not limited to, agents' compensation and fees and costs of counsel and receivers) and to the maintenance, repair or restoration of the Property, or on account and in reduction of the Obligations, in such order and amounts as Beneficiary in Beneficiary's sole discretion may elect. Beneficiary and Trustee shall be liable to account only for rents and profits actually received by Beneficiary or Trustee, as the case may be.

24. Expenses of Trustee and Beneficiary. All reasonable costs and expenses paid or incurred by Trustee and/or Beneficiary and/or the Banks (including, without limitation, attorneys' fees of the respective general counsel, special counsel and local counsel of Beneficiary, Trustee and any of the respective Banks), in any action, proceeding or dispute of any kind in which Trustee and/or Beneficiary and/or any of the Banks is made a party or appears as party plaintiff or defendant, affecting Trustee or Beneficiary or any of the Banks, this Deed of Trust and/or one or more of the other Loan Documents or the Property, including, but not limited to, the enforcement of this Deed of Trust, any condemnation action involving the Property, any action to protect the security hereof, or any case or proceeding in probate or under Title 11 of the United States Code, with interest thereon at the Default Rate from the time of payment by Trustee and/or Beneficiary and/or the Banks, as the case may be, shall, on demand, be im-

mediately due from Trustor and shall be added to and included in the Obligations and shall be secured by this Deed of Trust.

25. Sale by Trustee. After the occurrence of one or more Events of Default, to the extent permitted by law, the Property may be sold as provided in this paragraph:

(a) Beneficiary shall deliver to Trustee a written notice of default and election to cause Trustor's interest in the Property to be sold, a copy of which notice Trustee shall cause to be duly filed for record in the office of the recorder of the county in which the Property, or part thereof, is situated.

(b) After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either in the county in which the Property, or any part thereof, to be sold, is situated, or at the principal office of Trustee, in its discretion, either as a whole or in separate lots or parcels or items as Trustee shall deem expedient, and in such manner or order as it may determine in its sole discretion, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustor waives the right, if any, to direct the order of sale of the Property or any part thereof. Trustee shall deliver to such purchaser or purchasers thereof its deed or

deeds (or, in the case of leasehold interests, assignments) conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or deeds (and/or assignment or assignments, as the case may be) of any matters or facts shall be conclusive proof of the truthfulness thereof. Beneficiary or any other Person may bid at and purchase at such sale or sales and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(c) After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including costs of evidence of title in connection with a sale and Beneficiary's and Trustee's reasonable attorneys' fees, Trustee shall apply the proceeds of sale in the following priority to the payment of (i) first, all sums expended by Trustee and Beneficiary under the terms of the Loan Documents, not then repaid, with accrued interest at the rate set forth in the Loan Documents; (ii) second, the Obligations; and (iii) the remainder, if any, to Trustor or Trustor's successors and assigns.

(d) Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

26. Attorneys' Fees, etc. If this Deed of Trust shall be foreclosed or all or any part of the Property is sold by Trustee pursuant to the provisions of this Deed of Trust, or if any of the Loan Documents are placed in the hands of an attorney for collection or are collected through any court, including any bankruptcy court, Trustor promises to pay to the order of Beneficiary, the holder of any of the Loan Documents or any receiver, the reasonable attorneys' fees (including, without limitation, fees of general counsel, special counsel and local counsel), court costs, disbursements and other costs incurred in collecting or attempting to collect the Obligations or enforcing Beneficiary's or such holder's or receiver's rights hereunder and under any other Loan Documents securing the Obligations, and all allowances provided by law, to the extent allowed by the laws of the state in which the property is located or any state in which any of such other collateral for the Obligations is situated and to the extent such fees and costs are actually paid or agreed to be paid, of the holder of the Obligations, or of a receiver.

27. Discontinuance of Action. Beneficiary may from time to time, if permitted by law, take action to recover any sums, whether interest, principal or any other obligation or sums, required to be paid under this Deed of Trust or any other Loan Document as the same become due, without prejudice to the right of Beneficiary or Trustee thereafter to bring an action of foreclosure, or any other action, for a default or de-

faults by Trustor existing when such earlier action was commenced. Beneficiary or Trustee may also foreclose this Deed of Trust for any sums due under this Deed of Trust or any other Loan Document and the lien of this Deed of Trust shall continue to secure the balance of the Obligations not then due. If Beneficiary or Trustee shall have proceeded to enforce any right under this Deed of Trust or any other Loan Document and such proceedings shall have been voluntarily discontinued or abandoned for any reason, then in every such case Trustor, Trustee and Beneficiary shall be restored to their former positions and the rights, remedies and powers of all parties hereto shall continue as if no such proceedings had occurred.

28. Change in Taxation. In the event of the enactment of or change in (including, without limitation, a change in interpretation) any applicable law (a) deducting or allowing Trustor to deduct from the value of the Property for the purpose of taxation any lien or security interest thereon, (b) imposing, modifying or deeming applicable any reserve or special requirement against deposits in or for the account of, or loans by, or other liabilities of, or other assets held by Beneficiary or the Banks, or (c) subjecting Beneficiary or any of the Banks to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Deed of Trust, the Obligations, Beneficiary or the Banks, and the result is to increase

the taxes imposed upon or the cost to Beneficiary or the Banks of maintaining the Obligations, or to reduce the amount of any payments receivable hereunder or under the other Loan Documents, then, and in any such event, Trustor shall, on demand, pay to Beneficiary such additional amounts as may be required to compensate for such increased costs or reduced amounts, provided that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Obligations wholly or partially usurious or otherwise invalid under applicable law, then Beneficiary may, at its option, declare the Obligations immediately due and payable.

29. Taxes Imposed. Trustor shall pay any taxes (except income, inheritance and franchise taxes) imposed on Beneficiary or Trustee relating to this Deed of Trust.

30. No Credit for Taxes. Trustor shall not claim or demand or be entitled to any credit or credits on account of the Obligations by reason of the Impositions assessed against all or any part of the Property or for any payments made pursuant to Paragraph 6 hereof. No deductions shall otherwise be made or claimed from the taxable value of all or any part of the Property by reason of this Deed of Trust or the Obligations.

31. Recording, Filing and Other Fees. Trustor shall pay all recording and filing fees, all recording taxes and all other costs and expenses in connection with the preparation, execution and recordation and other manner of perfec-

tion of this Deed of Trust and any other Loan Documents, and shall reimburse Beneficiary on demand for all costs and expenses of any kind incurred by Beneficiary in connection therewith (including, without limitation, reasonable attorneys' fees). Trustor will, at any time on request of Beneficiary, execute or cause to be executed financing statements, continuation statements, security agreements, or the like, in respect of any Building Equipment. Trustor shall pay all filing fees, including fees for filing continuation statements, in connection with such financing statements or reimburse Beneficiary on demand therefor.

32. No Waiver. Any failure by Beneficiary to insist upon the strict performance by Trustor of any of the Obligations shall not be deemed to be a waiver of any of such Obligations, and Beneficiary, notwithstanding any such failure, may thereafter insist upon the strict performance by Trustor of any and all of the Obligations.

33. No Release. The Obligations and the lien of this Deed of Trust shall not be affected by reason of (a) the failure of Beneficiary or Trustee to comply with any request of Trustor, or of any other Person so obligated, to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust or of any of the Obligations secured by this Deed of Trust, (b) the release, regardless of consideration, of the obligations of any Person or Persons liable for payment or performance of the Obligations

or any part thereof, or (c) any agreement or stipulation extending the time of payment or modifying the terms of any of the Loan Documents, and in the event of such agreement or stipulation, Trustor and all such other Persons shall, subject to Paragraph 50, continue to be liable under the Loan Documents, as amended by such agreement or stipulation, unless expressly released in writing by Beneficiary.

34. Release of Collateral. Beneficiary may release, regardless of consideration, the obligation of anyone liable for payment of any of the Obligations secured hereby, or may release any part of the Property or any other Collateral now or hereafter given to secure the payment of the Obligations or any part thereof, without impairing, reducing or affecting the obligations of Trustor under the Loan Documents, the security of this Deed of Trust or the priority of the rights created by this Deed of Trust.

35. Interest After Maturity. The principal amount of the Obligations and any other amounts secured by this Deed of Trust and, if permitted by law, any accrued interest thereon, shall bear interest from and after maturity, whether or not resulting from acceleration, at the Default Rate, but this shall not constitute an extension of time for payment of the Obligations or such other amounts or accrued interest.

36. Rights Cumulative. The rights and remedies provided for in this Deed of Trust, or which Beneficiary may have otherwise, at law or in equity, shall be distinct, sepa-

rate and cumulative, and shall not be deemed to be inconsistent with each other, and none of them, whether or not exercised by Beneficiary, shall be deemed to be in exclusion of any other, and, to the extent permitted by law, any two or more of all such rights and remedies may be exercised at the same time.

37. Severability. If any term or provision of this Deed of Trust or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law. If any payments required to be made under the Loan Documents shall be in excess of the amounts allowed by law, the amounts of such payments shall be reduced to the maximum amounts allowed by law.

38. Notices. All notices, demands, consents, approvals, requests or other communications (herein collectively referred to as "Notices" or "notices") required or desired to be given by any party hereto to any of the other parties shall be in writing.

All notices by Beneficiary or Trustee to Trustor shall be deemed to have been properly given if personally delivered or sent by United States registered or certified mail,

return receipt requested, addressed to Trustor at the address of Trustor hereinabove set forth and to the attention of President, General Partner, or to such other address as Trustor may from time to time designate by written notice to Beneficiary and Trustee given as herein required. [See Paragraph 48 for additional notice requirements.]

All notices by Beneficiary or Trustor to Trustee shall be deemed to have been properly given if personally delivered or sent by United States registered or certified mail, return receipt requested, addressed to Trustee at the address of Trustee hereinabove set forth or to such other address as Trustee may from time to time designate by written notice to Beneficiary and Trustor given as herein required.

All notices by Trustor or Trustee to Beneficiary shall be deemed to have been properly given if personally delivered or sent by United States registered or certified mail, return receipt requested, addressed to Beneficiary at:

Morgan Guaranty Trust Company
of New York
444 South Flower Street
40th Floor
Los Angeles, California 90017

Attention: Far West Department

with a copy to:

Morgan Guaranty Trust Company
of New York
23 Wall Street
New York, New York 10015

Attention: Far West Department

or to such other address or addresses as Beneficiary may from time to time designate by written notice to Trustor and Trustee given as herein required.

Notices sent by mail in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice shall be deposited in any post office or branch post office regularly maintained by the United States government.

39. Indemnification Against Liabilities. Trustor will protect, indemnify, save harmless and defend Beneficiary and Trustee from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Beneficiary and/or Trustee by reason of (a) ownership by Trustee or Beneficiary of its interest in the Property pursuant to this Deed of Trust, (b) any accident or injury to or death of Persons or loss of or damage to or loss of the use of property occurring on or about the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, waterways, docking facilities, or the premises demised by the Elwell Lease, (c) any use, non-use or condition of the Property or any part thereof or of the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, waterways, docking facilities, or the premises demised by the Elwell Lease, (d) any

failure on the part of Trustor to perform or comply with any of the terms of this Deed of Trust, (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof made or suffered to be made by or on behalf of Trustor, (f) any negligence or tortious act on the part of Trustor or any of its respective agents, contractors, lessees, licensees or invitees, or (g) any work in connection with any alterations, repairs, changes, new construction or demolition of the Property, whether or not permitted hereunder. Trustor will pay and save Beneficiary harmless against any and all liability with respect to any intangible personal property tax or similar imposition of the state in which the Property is located or any subdivision or authority thereof now or hereafter in effect, to the extent that the same may be payable by Beneficiary in respect of this Deed of Trust or the indebtedness secured hereby. All amounts payable to Beneficiary or Trustee, as the case may be, under this Paragraph 39 shall be payable on demand and shall be deemed indebtedness secured by this Deed of Trust and any such amounts which are not paid within 10 days after demand therefor by Beneficiary or Trustee, as the case may be, shall bear interest at the Default Rate from the date of such demand. In case any action, suit or proceeding is brought against Beneficiary or Trustee by reason of any such occurrence, Trustor, upon request of Beneficiary or Trustee, as the case may be, will, at Trustor's expense, re-

sist and defend such action, suit or proceeding or cause the same to be resisted or defended by counsel designated by Trustor and approved by Beneficiary.

40. Notice Upon Acceleration. Whenever Beneficiary in this Deed of Trust is given the option to accelerate the maturity of all or part of the Obligations upon an Event of Default, Beneficiary may, to the extent permitted by law, do so without prior notice or demand to or upon Trustor except as otherwise specifically provided herein.

41. After Acquired Property. All property of every kind which is acquired by Trustor after the date hereof which, under Paragraphs A through O, inclusive, of the recitals herein, is required or intended to be subject to the lien of this Deed of Trust shall, immediately upon the acquisition thereof by Trustor, and without any further grant, mortgage, conveyance, assignment or transfer, become subject to the lien of this Deed of Trust.

42. No Representations by Beneficiary or Trustee. By accepting or approving anything required to be observed, performed or fulfilled, or to be given to Beneficiary or Trustee pursuant to this Deed of Trust, including, without limitation, any partner's or officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance certificate, binder or policy, Beneficiary or Trustee shall not be deemed to have warranted or represented the sufficiency, legality, effective-

ness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Beneficiary or Trustee.

43. The Trustee. (a) If, at any time, more than one individual or entity is named as Trustee herein, each of them shall have the full power and authority to act when action is required or may be taken under this Deed of Trust and any of them may execute any conveyance of all or part of the Property. In the event that the substitution of a Trustee shall become necessary for any reason, the substitution of one Trustee shall be sufficient. The necessity of Trustee named herein or any successor Trustee making any oath or giving any bond is expressly waived. Trustee may resign as trustee for any reason upon 60 days' notice to Beneficiary who shall then appoint a substitute Trustee pursuant to this Paragraph 43.

(b) Trustee, or any substitute Trustee, may be removed at any time with or without cause, at the option and in the sole discretion of Beneficiary, without any notice to or demand upon Trustee or the substitute Trustee so removed, or Trustor or any other Person. If at any time Trustee or any substitute Trustee should be so removed as hereinabove set forth or in the instrument of its appointment as substitute Trustee, or should absent itself from its offices, die, or refuse, fail or be unable to act as such Trustee or substitute Trustee, Beneficiary may appoint any Person as substitute

Trustee hereunder, without any formality other than a written declaration of such appointment executed and acknowledged by Beneficiary; and immediately upon such appointment and recording thereof in the county or counties in which the Property is situated, the substitute Trustee so appointed shall automatically become vested with all the estate and title in the Property, and with all of the rights, powers, privileges, authority, options and discretions, and charged with all of the duties and liabilities, vested in or imposed upon Trustee by this Deed of Trust, and any conveyance or other instrument executed by such substitute Trustee, including the recitals therein contained, shall have the same effect and validity as if executed by Trustee. Beneficiary shall notify Trustor as to the name and address of any substitute Trustee appointed pursuant to this Paragraph 43; however, the failure of Beneficiary to give such notice shall not relieve Trustor of any of its obligations under this Deed of Trust (including, but not limited to the Obligations), shall not impair or affect any of Beneficiary's rights or remedies under this Deed of Trust, and shall not give rise to any cause of action by Trustor against Beneficiary.

44. Grace Periods. Any grace period set forth herein shall, to the extent permitted by law, be in lieu of, and not in addition to, any grace period provided by law.

45. Conflicts with Ground Leases. Notwithstanding anything to the contrary contained in this Deed of Trust, (a)

if any of the Ground Leases contains a grace period with respect to one or more defaults thereunder which is shorter than any grace period contained in this Deed of Trust or in any of the other Loan Documents, the grace period set forth in such Ground Lease(s) will govern, and (b) if any provision (other than grace periods) of this Deed of Trust conflicts with any provision (other than grace periods) contained in any of the Ground Leases, the provision which imposes the more stringent requirement upon Trustor shall govern.

46. No Merger of Estates. So long as any of the Obligations shall remain unpaid and the Banks' commitment under the Loan Agreement to make future advances has not terminated, and unless Beneficiary shall otherwise consent, the fee title to and the leasehold estate in the Premises subject to the Ground Leases (and, in the case of the High Sierra Premises, the leasehold estate created by the Park Cattle Lease and the subleasehold estate created by the STC Sublease) shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates either in the lessor or in the lessee (and, in the case of the subleasehold estate created by the STC Sublease, in the sublessor or the sublessee) under any Ground Lease or in a third party, by purchase or otherwise. Trustor further covenants and agrees that, in case it shall acquire the fee title, or any other estate, title or interest in the Premises, or any part thereof, covered by any Ground Lease or this Deed of Trust, this Deed of Trust

shall attach to and cover and be a lien upon such other estate so acquired, and such other estate so acquired by Trustor shall be considered as granted and released, assigned, transferred, mortgaged, pledged and set over unto Trustee in trust for the benefit of Beneficiary and the lien hereof spread to cover such estate with the same force and effect as though specifically herein granted and released, assigned, conveyed, transferred, mortgaged, pledged and set over to Trustee in trust for the benefit of Beneficiary, subject, however, to any liens or encumbrances then affecting such fee interest or other estate.

47. Trustor's Representations and Covenants Regarding the Ground Leases. For purposes of this Paragraph 47 only, the term "Ground Leases" shall mean the STC Sublease, the Sage Lease, the Parry Lease and the Elwell Lease. In addition to any other representations specifically made by Trustor to Beneficiary in this Deed of Trust, Trustor hereby represents, warrants and covenants that:

(a) Trustor will promptly pay when due and payable the rentals, additional rentals and other charges mentioned in and payable under each of the Ground Leases.

(b) Trustor will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by Trustor under each of the Ground Leases, within the respective grace periods provided in each of the Ground Leases or such lesser grace periods as are pro-

vided in this Deed of Trust, and will do all things necessary to preserve and to keep unimpaired its rights under each of the Ground Leases. Trustor will enforce the obligations of the lessor under each of the Ground Leases, and promptly notify Beneficiary of any default by any such lessor under a Ground Lease, to the end that Trustor may enjoy all of the rights granted to it under each of the Ground Leases.

(c) Trustor will promptly notify Beneficiary of any default by Trustor in the performance or observance of any of the terms, covenants or conditions on the part of Trustor to be performed or observed under each of the Ground Leases.

(d) Trustor will: (i) promptly notify Beneficiary of the receipt by Trustor of any notice from a lessor under any of the Ground Leases of default by Trustor in the performance or observance of any of the terms, covenants or conditions on the part of Trustor to be performed or observed under the respective Ground Lease; (ii) promptly notify Beneficiary of the receipt by Trustor of any notice from a lessor under any of the Ground Leases to Trustor of termination of the respective Ground Lease pursuant to the provisions thereof; and (iii) promptly cause a copy of each such notice received by Trustor from a lessor under any of the Ground Leases to be delivered to Beneficiary.

(e) Trustor will promptly notify Beneficiary of any request made by either party to any of the Ground

Leases for arbitration proceedings pursuant to the respective Ground Lease and of the institution of any arbitration proceedings, and will promptly deliver to Beneficiary a copy of the determination of the arbitrators in each such arbitration proceeding.

(f) Trustor will not, without the prior written consent of Beneficiary, terminate, cancel, modify, supplement or surrender or suffer or permit any termination, modification or surrender of any of the Ground Leases, and, subject to the terms of the Ground Leases, will not subordinate or consent to the subordination of any of the Ground Leases to any mortgage or deed of trust on the lessor's interest in the property demised by the respective Ground Lease. Trustor hereby assigns to Beneficiary, as additional collateral for repayment of the Obligations, all of Trustor's rights and privileges as lessee or as sublessee, as the case may be, under each of the Ground Leases (other than the Elwell Lease) to terminate, cancel, surrender, modify, change, supplement, extend, renew or amend the respective Ground Leases (other than the Elwell Lease), and any such termination, cancellation, surrender, modification, change, supplement, extension, renewal or amendment of any of the Ground Leases without the prior written consent of Beneficiary shall, at Beneficiary's option, be void and of no force and effect.

(g) Trustor will, within 10 days after demand from Beneficiary, request from the lessor (or, in the case of

the STC Sublease, the sublessor) under any or each of the Ground Leases and deliver to Beneficiary a certificate that the respective Ground Lease is unmodified and in full force and effect and the date to which the rentals, additional rentals and other charges payable thereunder have been paid and stating whether to the lessor's (or sublessor's, as the case may be) knowledge Trustor is in default in the performance of any covenants, agreements or conditions contained in the respective Ground Lease and if so, specifying each such default.

(h) Each of the Ground Leases is valid and in full force and effect in accordance with its respective terms without modification (except such modifications as are set forth in Schedule B) and no default under any of the Ground Leases has occurred and is continuing.

(i) The execution and delivery of this Deed of Trust is permitted under the STC Sublease, the Sage Lease and the Parry Lease.

(j) If the term of any of the Ground Leases is scheduled to expire prior to the payment in full of the Obligations and Trustor has the option to renew such term, Trustor shall effectively exercise such option and deliver to Beneficiary proof of such exercise, at least 30 days before the expiration of the period during which such option may be exercised. Trustor hereby irrevocably appoints Beneficiary its attorney in fact, coupled with an interest, to exercise any

such options within such 30-day period if Trustor has not theretofore exercised the same.

(k) In the event of a proceeding under the Bankruptcy Reform Act of 1978, as amended, with respect to the lessor under any Ground Lease, Trustor shall exercise all rights of a tenant to remain in possession of the Nevada Property in question pursuant to section 365(h) of said Bankruptcy Reform Act.

48. Sage Lease Requirements. Notwithstanding anything to the contrary contained in this Deed of Trust, (a) the net proceeds of all insurance policies and of condemnation awards shall be held, used and applied for the purposes and in the manner provided in the Sage Lease, and (b) if action is brought to foreclose this Deed of Trust, the rents, income, receipts, revenues, issues and profits issuing from the premises described as Parcel 2 in Schedule C hereof (the "Sage Premises") or from any occupancy, lease or leases thereof, shall be collected, either through a receiver appointed by a court, or by Beneficiary, and the monies so collected by the receiver or Beneficiary shall be first applied and used for the payment of the Annual Fixed Rental and Additional Rental (as such terms are defined in the Sage Lease) including, without limitation, CPI Rental (as such term is defined in the Sage Lease) then due and owing under the Sage Lease or to become due and owing under the Sage Lease, then to the performance of all other obligations of Trustor under the Sage Lease, then for all other maintenance and operating

charges and disbursements incurred in connection with the operation and maintenance of the Sage Premises, and any balance remaining after such application may be applied on account of the Obligations. Beneficiary shall deliver to the lessor under the Sage Lease a copy of any notice of a default delivered by Beneficiary to Trustor under this Deed of Trust. If requested by the lessor under the Sage Lease, but not more than three (3) times each calendar year, Beneficiary shall deliver to such lessor within 30 days a certificate of an officer of Beneficiary certifying to the best of the knowledge of the certifying party (i) the outstanding amount of the Obligations, (ii) the date of the last payment of interest and principal, (iii) that this Deed of Trust and the Notes are in full force and effect and unmodified, or if modified, stating any such modifications, and (iv) that Trustor is not alleged to be in default under this Deed of Trust or the Notes or, if Trustor is alleged to be in default, stating the nature thereof.

49. Further Assurances. Trustor shall, at its cost and expense, upon request of Trustee or Beneficiary, duly execute, acknowledge and deliver, or cause to be duly executed, acknowledged and delivered, to Beneficiary such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Beneficiary to carry out more effectually the provisions and purposes of this Deed of Trust or to better assure, convey, assign, transfer, confirm or perfect Beneficiary's security and rights

under this Deed of Trust in a manner consistent with the other requirements of this Deed of Trust and which do not materially increase the Obligations.

50. No Personal Liability. Neither Trustor nor the general partner thereof, nor any officer, director, partner or principal thereof (each, a "Nonrecourse Party"), directly or indirectly, disclosed or undisclosed, shall be personally liable to Beneficiary or any Bank for (a) the non-payment of any principal of or interest on the Notes, the recourse of Beneficiary and the Banks being expressly limited to the Collateral, (b) the non-payment of any other amount owing to Beneficiary under this Deed of Trust, Beneficiary's recourse against Trustor, the general partner of Trustor, and any such officer, director, partner or principal being expressly limited to the Collateral, or (c) damages arising out of the failure to perform any of its obligations under this Deed of Trust, the recourse of Beneficiary and the Banks being expressly limited to the Collateral; provided, however, that nothing contained in this Deed of Trust or any of the Loan Documents shall (x) limit, restrict or impair the rights of Beneficiary under this Deed of Trust, including, without limitation, the right of foreclosure or sale of the Property pursuant to this Deed of Trust, or the rights of Beneficiary under Section 9.16 of the Loan Agreement or (y) terminate, limit, reduce, affect or impair (or increase or expand) the liability of any Person (other than Nonrecourse Parties) under any document, instrument or

agreement referred to in the further proviso to such Section 9.16.

51. Contesting Legal Requirements. Notwithstanding any provision of this Deed of Trust to the contrary, provided Trustor is not then in default hereunder, Trustor, after notice to Beneficiary, may (if permitted by any applicable Ground Lease) contest by appropriate legal proceedings at Trustor's own cost and expense, the validity of any Legal Requirements, and Trustor may defer compliance therewith during the pendency of such contest; provided, however, and upon condition that (a) such non-compliance shall not constitute a crime on the part of Beneficiary, Trustee or any agent, servant, employee or principal of Beneficiary or Trustee, (b) if such non-compliance would give rise to any default under the provisions of any Prior Lien, Trustor shall first obtain and deliver to Beneficiary a written agreement, in form reasonably acceptable to Beneficiary, signed by the holder of any such Prior Lien to the effect that no default shall be declared thereunder by reason of such non-compliance, (c) such non-compliance will not result in any lien, charge or other liability of any kind against the Property, (d) Trustor shall first furnish to Beneficiary an opinion of counsel to Trustor reasonably satisfactory to Beneficiary, in form and substance satisfactory to Beneficiary, that such contest is made in good faith and is not frivolous, (e) Trustor shall prosecute such contest with due diligence and in good faith, and (f) Trustor

shall first establish such reserves as Beneficiary shall reasonably require to assure compliance by Trustor with such Legal Requirement, and to indemnify Beneficiary and Trustee against any and all liability, loss and damage which Beneficiary or Trustee may sustain by reason of Trustor's failure or delay in complying therewith. Trustor may, at its option, terminate any such contest at any time, and in such event Trustor shall promptly pay or perform all of the requirements of the contested Legal Requirement, and Trustor shall indemnify and hold harmless Beneficiary and Trustee against and from any and all liability, loss, or damage which Beneficiary or Trustee may sustain by reason of Trustor's delay in complying therewith. Contests by Trustor of any Imposition shall be conducted in accordance with Paragraph 6.

52. The Elwell Lease. Beneficiary acknowledges that neither the leasehold estate created by the Elwell Lease nor Trustor's interest in the premises demised thereunder (the "Elwell Premises") are covered by the lien of this Deed of Trust. The terms "Property" and "Premises" as used herein do not include the leasehold estate created by the Elwell Lease or Trustor's interest in the Elwell Premises. Notwithstanding the foregoing, to induce Beneficiary and the Banks to make the loans evidenced by the Notes, Trustor covenants and agrees with Beneficiary as follows:

(a) Trustor shall not, without the prior written consent of Beneficiary, sell, convey, alienate, assign,

sublease or transfer Trustor's interest in the Elwell Lease or the Elwell Premises, or any part thereof, whether voluntarily, involuntarily, or by operation of law or otherwise.

(b) Trustor shall not, directly or indirectly, create or suffer or permit to be created, or to stand, against Trustor's interest in the Elwell Lease or the Elwell Premises, or against the rents, issues and profits therefrom, any lien, other than liens against the Elwell Lease and the Elwell Premises in existence on the date hereof; provided, however, that nothing contained in this Paragraph 52 shall require Trustor to pay any real estate taxes prior to the time that Impositions must be paid under Paragraph 6.

(c) Trustor shall provide with respect to the Elwell Premises and the buildings, improvements and equipment located thereon, the insurance set forth in clauses (i), (iv), (v), (vi) and (vii) of subparagraph 8(a).

(d) If the lessor under the Elwell Lease consents to this Deed of Trust covering Trustor's interest in the Elwell Lease and the Elwell Premises, Trustor shall, at the direction of Beneficiary, promptly execute, acknowledge and deliver to Beneficiary such further instruments and do and cause to be done such further acts as may be necessary and proper in the opinion of Beneficiary to cause the lien of this Deed of Trust to cover Trustor's interest in the Elwell Lease and the Elwell Premises, and the rents, issues and profits therefrom, and to assure, convey, assign, transfer, confirm

and perfect Beneficiary's security and rights under this Deed of Trust with respect to Trustor's interest in the Elwell Lease and the Elwell Premises.

53. No Oral Changes. Neither this Deed of Trust, nor any provisions hereof, may be changed, waived, discharged or terminated orally but only by an agreement in writing, signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

54. Governing Law. This Deed of Trust and the rights of the parties hereunder shall for all purposes be governed by the laws of the State of Nevada.

55. Interpretation. This Deed of Trust shall be construed without regard to any presumption or rule requiring construction against the party causing the same or any portion hereof to be drafted.

56. Number and Gender. All terms and words used in this Deed of Trust, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

57. Headings. The headings in this Deed of Trust and the index at the beginning of this Deed of Trust are for convenience of reference only and shall not limit or otherwise affect any of the terms hereof.

58. Successors and Assigns. The terms, covenants and provisions of this Deed of Trust shall apply to and be binding upon Trustor and all subsequent owners, encumbrancers,

tenants and subtenants of all or any part of the Property, and shall inure to the benefit of Beneficiary, the successors and assigns of Beneficiary, and all subsequent holders of this Deed of Trust, but the provisions of this paragraph shall not be construed to modify the provisions of Paragraphs 11, 13, 14 and 50. All covenants contained herein shall run with the Property until the Obligations have been satisfied in full and the obligations and rights of the Banks to make future advances shall have terminated.

59. Trustor's Waivers. Trustor, for itself and its successors and assigns, hereby irrevocably waives and releases, to the extent permitted by law, and whether now or hereafter in force, (a) the benefit of any and all valuation and appraisal laws, (b) any right of redemption after the date of any sale of the Property upon foreclosure or sale by Trustee pursuant to the provisions of this Deed of Trust, whether statutory or otherwise, in respect of the Property, and (c) all exemption laws whatsoever and all moratoriums, extensions or stay laws or rules, or orders of court in the nature of any one or more of them.

60. Reconveyance by Trustee. If Trustor shall well and truly pay, perform and observe each of the Obligations at the time and times, and in the manner mentioned herein and in the other Loan Documents and the obligations and rights of the Banks to make future advances shall have terminated, then upon receipt of written request from Beneficiary reciting that all

sums secured hereby have been paid and upon surrender of this Deed of Trust and the Notes to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty the Property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto", and Trustee is authorized to retain this Deed of Trust and the Notes.

IN WITNESS WHEREOF, Trustor has hereunto set its hand as of the day and year first above written.

TRUSTOR:

NEVADA CASINO ASSOCIATES, L.P.

By: Tri-City Properties, Inc.,
General Partner

By: 

Name: D.V. Mickus
Title: Treasurer

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

I hereby certify that on this day before me, an officer duly authorized in the county and state aforesaid to take acknowledgements, personally appeared D.V. MICKUS to me known to be the person who executed the foregoing instrument as Treasurer of TRI-CITY PROPERTIES, INC., a Nevada corporation in its capacity as sole general partner of NEVADA CASINO ASSOCIATES, L.P., a Nevada limited partnership, and acknowledged before me that he executed the foregoing instrument for and on behalf of said corporation in its capacity as aforesaid.

WITNESS my hand and official seal in the county and state aforesaid this 26th day of December, 1984.


Notary Public

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

My commission expires:

SEAL

COPY

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Financial Institutions

Morgan Guaranty Trust Company of New York

Morgan Guaranty Trust Company of New York
St. Helier, Jersey Channel Islands Office

Manufacturers Hanover Trust Company

Bank of America National Trust and Savings Association

The Valley National Bank of Arizona

Mellon Bank, N.A.

First Interstate Bank of California

First Interstate Bank of Nevada

Marine Midland Bank, N.A.

Midlantic National Bank

Centerre Bank

Security Pacific National Bank

United Arizona Bank

The Arizona Bank

First Fidelity Bank, N.A., New Jersey

Schedule A

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Ground Leases

1. Sublease dated as of the date hereof between Sahara-Tahoe Corporation, as sublandlord, and Nevada Casino Associates, L.P. ("Trustor"), as subtenant, a memorandum of which Sublease is intended to be recorded in the Douglas County, Nevada Records prior to the recordation of this Deed of Trust.
2. 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, which Lease was recorded on May 20, 1957 in Book 129 of Official Records, Clark County, Nevada Records, 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, a memorandum of which Restated Lease Agreement was recorded on April 30, 1982 in Book 1558 of Official Records, Clark County, Nevada Records, as Document No. 1517747, and as amended by Amendment dated as of December 28, 1984, which Amendment is intended to be recorded in the Clark County, Nevada Records prior to the recordation of this Deed of Trust, the lessee's interest in such Lease having been assigned to Trustor by Assignment dated as of the date hereof, which Assignment is intended to be recorded in the Clark County, Nevada Records prior to the recordation of this Deed of Trust.
3. Lease dated May 3, 1957 between O.L. Parry, as lessor, and Stewart Kennard, Junior, Trustee, as lessee, which Lease was recorded on December 17, 1959 in Book 225 of Official Records, Clark County, Nevada Records, as Document No. 183143, as amended by Amendment dated as of September 21, 1984, which Amendment was 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 in the Official Records, Clark County, Nevada prior to the recordation of this Deed of Trust, the lessee's interest in which Lease having been assigned by Stewart Kennard, Junior, Trustee and the Bird Cage Club to First Investment Company, Inc. by Assignment dated November 30, 1959, recorded December 17, 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 which lessee's interest in such Lease was further assigned by Sahara-Nevada Corporation to Trustor by Assignment dated as of the date hereof, which Assignment is intended to be recorded in the Clark County,

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Nevada Records prior to the recordation of this Deed of Trust.

4. Lease dated April 1, 1959 between William H. Elwell, Naomi Uptiegrove and Doris Hamilton, as lessor, and The Mint, as lessee, which Lease was recorded on April 9, 1963 in Book 436 of Official Records, Clark County, Nevada Records, as Document No. 351293, which Lease was amended by (a) letter agreement dated January 29, 1960, (b) Agreement and Amendment of Lease dated January 12, 1961, and (c) letter agreement dated September 14, 1961, the lessee's interest in which Lease having been assigned by The Mint to Sahara-Nevada Corporation by Assignment dated August 31, 1961, and which lessee's interest in such Lease was assigned by Sahara-Nevada Corporation to Trustor by Assignment dated as of the date hereof, which Assignment is intended to be recorded in the Clark County, Nevada Records prior to the recordation of this Deed of Trust.

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Description of the Premises

PARCEL 1:

A tract of land lying in Douglas County, Nevada, in Section 27, Township 13 north, Range 18 east, M.D.B. & M., that is 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 north 27°58'21" east 744.79 feet along the westerly right of way line of U.S. Route 50 to the True Point of Beginning;
thence north 27°58'21" east 787.82 feet along the westerly right of way line of U.S. Route 50;
thence north 62°01'39" west 1105.84 feet;
thence south 27°58'21" west 787.82 feet;
thence south 62°01'39" east 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 State-line Loop Road, by Deed dated July 20, 1978 and recorded September 6, 1978 as Document No. 24881 in Book 978, Page 249.

PARCEL 2:

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.

PARCEL 3:

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.

PARCEL 4:

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:

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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 northeast 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°15' east a distance of 140 feet to the most southerly corner of said Lot 10;
thence south 27°45' west a distance of 20.00 feet to a point on the north line of Lot 16 in said Block 15;
thence north 62°15' west a distance of 140 feet to the most northerly corner of Lot 11 in the said Block 15;
thence north 27°45' east a distance of 20.00 feet to the Point of Beginning.

PARCEL 5:

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.

PARCEL 6:

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°15' east 10.00 feet to the centerline of that certain alley running through said Block 15;
thence, along said centerline, south 27°45' west 270.00 feet to the northeasterly line of Lot 16 of said Block 15;
thence, along said northeasterly line, north 62°15' west 10.00 feet to the southwesterly prolongation of the southeasterly lines of Lots 1 to 10 in said Block 15;
thence, north 27°45' east 270.00 feet to the Point of Beginning.

PARCEL 7:

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°41'09" 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°22'44" 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 8:

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 Califor-

nia Pacific Utilities Company existing power poles, the True Point of Beginning;
thence north $01^{\circ}41'09''$ east, parallel with said pole line 1,039.75 feet;
thence along a curve, concave to the west, having a central angle of $6^{\circ}43'30''$, a radius of 500.00 feet, and an arc length of 58.63 feet;
thence north $05^{\circ}02'21''$ 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° , a radius of 300.00 feet, and an arc length of 56.55 feet;
thence north $03^{\circ}57'29''$ 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° , 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 $01^{\circ}10'14''$ 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 $03^{\circ}56'29''$ 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° and an arc length of 47.12 feet;
thence parallel with and 5.00 feet easterly of said power line south $05^{\circ}02'21''$ east 1,247.49 feet;
thence along a curve concave to the west having a radius of 560.00 feet, a central angle of $06^{\circ}41'09''$, and an arc length of 65.67 feet;
thence south $01^{\circ}41'09''$ 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 9:

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 $1^{\circ}10'14''$ 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 $1^{\circ}41'09''$ 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 $1^{\circ}41'09''$ east a distance of 80 feet to a point; thence west a distance of 200 feet to a point; thence south $1^{\circ}41'09''$ west a distance of 80 feet to the True Point of Beginning.

PARCEL 10:

That portion of Government Lot Four (4) in Section 13, Township 32 south, Range 66 east, M.D.B. & M., 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 $10^{\circ}34'08''$ west a distance of 508.63 feet to a point; thence east a distance of 400.00 feet to a point; thence south $11^{\circ}40'$ west a distance of 204.22 feet to a point; thence south $14^{\circ}40'$ west a distance of 206.74 feet to the True Point of Beginning; thence continuing south $14^{\circ}40'$ 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 11:

That portion of Government Lot IV (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 IV (4); thence south $01^{\circ}10'14''$ west along the west line of said Lot IV (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 $14^{\circ}40'00''$ 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 $01^{\circ}41'09''$ 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 $01^{\circ}41'09''$ 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 12:

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 $1^{\circ}41'09''$ east a distance of 120.05 feet to the True Point of Beginning;

thence continuing north $1^{\circ}41'09''$ 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);

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thence south 16°22'44" 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.

Further 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 13:

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.

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Prior Liens

The following Prior Liens affect the High Sierra:

1. The lien of any taxes, sewer charges and water rents not yet due and payable.

2. The state of facts as shown on that certain survey made by SE&A, Incorporated, dated October, 1984 (checked October 31, 1984).

3. That certain Ground Lease dated November 14, 1962, a Memorandum of which was recorded December 12, 1963, in Book 21, at Page 31, Douglas County Official Records, as amended by unrecorded instruments dated December 3, 1962 and April 12, 1963 and by instrument dated July 22, 1968, recorded August 22, 1968, as Document No. 41986 in Book 61, at Page 282, Douglas County Official Records, and further amended by that certain Fourth Amendment To Lease dated March 29, 1980, recorded April 24, 1980, as Instrument No. 43928 in Book 480, at Page 1361, Douglas County Official Records, between Park Cattle Company, a Nevada Corporation, as Lessor, and Sahara-Tahoe Corporation as Lessee (which lease was assigned by the original lessee, Sahara-Nevada Corporation, to Sahara-Tahoe Corporation by Assignment dated December 18, 1963 and recorded January 20, 1964, in Book 21, at Page 492, Douglas County Official Records).

4. Easement and Right-of-Way to the Douglas County Sewer Improvement District No. 1, recorded October 25, 1965 in Book 35 of Official Records, at Page 354, Douglas County, Nevada.

5. Easement and Right-of-Way for sewer lines with incidental and appurtenant rights thereto as conveyed by Park Cattle Co. to Douglas County Sewer Improvement District No. 1, recorded June 5, 1970 in Book 76 of Official Records, at Page 413, Douglas County, Nevada.

Schedule D

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6. Easement and Right-of-Way for sewer lines with incidental and appurtenant rights thereto as conveyed by Park Cattle Co. and Sahara-Tahoe Corporation to Douglas County Sewer Improvement District No. 1, recorded September 19, 1970 in Book 79 of Official Records, at Page 318, Douglas County, Nevada.

7. An unrecorded lease dated November 11, 1969 by and between Sahara-Tahoe Corporation, a Nevada Corporation, as Lessor and Consolidated Casinos Corp., a Nevada Corporation, as Lessee, as amended on March 29, 1980, a Memorandum of which was recorded on April 24, 1980, as Document No. 43927, in Book 480, Page 1358, Douglas County Official Records, Nevada and as further amended and restated by Restated Lease dated as of the date hereof intended to be recorded prior to the recording hereof.

8. The effect of an assignment from Park Cattle Company to Sahara-Tahoe Corporation (recorded October 25, 1965, in Book 35 of Official Records, Douglas County, Nevada Records at page 360) of that certain unrecorded agreement dated July 16, 1963 executed by and between Park Cattle Company and Douglas County Sewer Improvement District No. 1.

9. Financing Statement wherein Sahara-Tahoe Corporation is Debtor and First Interstate Bank of Nevada is Secured Party, recorded December 21, 1982 in Book 1282 of Official Records, at page 1198, Douglas County, Nevada, as Document No. 74160.

10. Sublease between Sahara-Tahoe Corporation and Nevada Casino Associates, L.P., a memorandum of which is intended to be recorded prior to the recording hereof.

The following Prior Liens affect The Mint:

1. The lien of any taxes, sewer charges and water rents not yet due and payable.

2. The state of facts shown on that certain survey made by SE&A, Incorporated, dated November 1, 1984.

3. Reservations In Patent from the State of Nevada recorded November 30, 1902 in Book "F" of Miscellaneous Records, Page 268, Lincoln County, Nevada Records.

4. Covenants, conditions and restrictions in an Instrument recorded January 13, 1908, in Book "Y" of Deeds, Page 391, Lincoln County, Nevada Records.

5. Reservations in the 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.

6. An easement for either or both pole lines, conduits and incidental purposes as conveyed to Nevada Power Company and Central Telephone Company, by an Instrument Recorded July 26, 1973, in Book 349 of Official Records, Clark County, Nevada Records, as Document No. 308343.

7. That certain Lease executed by William E. Elwell and Naomi Uptiegrove and Doris Hamilton, as Lessors, to "THE MINT", Lessee, subject to the provisions and conditions contained therein, dated April 1, 1959, and recorded April 9, 1963 in Book 436 of Official Records, Clark County, Nevada Records, as Document No. 351293, as amended by instrument intended to be recorded prior to the recording hereof.

8. That certain Lease executed by O.L. Parry, as Lessor to Stewart Kennard, Junior, Trustee, Lessee dated May 3, 1957, and recorded December 17, 1959 in Book 225 of Official Records, Clark County, Nevada Records, as Document No. 183143, 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 instrument intended to be recorded prior to the recording hereof.

9. That certain Agreement of Lease executed by Glenel Realty Corp., as Lessor and Milton Prell, A.F. Winter, Joseph Hall and L.B. Tutor Scherer, as Lessees dated November 30, 1956, and recorded May 20, 1957 in Book 129 of Official Records, Clark County, Nevada Records, as Document No. 106124, as amended by that certain Lease Amendment And Agreement dated June 1, 1982, between Sage Realty Co., a Nevada Limited Partnership, as "Lessor", and Sahara-Nevada Corporation, a Nevada Corporation, as "Lessee", disclosed by Memorandum Of Amendment which was recorded April 30, 1982, in Book 1558 of Official Records, Clark County, Nevada Records, as Document No. 1517747, as amended by instrument dated as of the date hereof and intended to be recorded prior to the recording hereof.

10. Financing Statement executed by Sahara-Nevada Corporation, Debtor, in favor of First Interstate Bank Of Nevada, N.A., Secured Party, dated December 6, 1982, and recorded January 5, 1983 in Book 1669 of Official Records, Clark County, Nevada Records, as Document No. 1628439.

The following Prior Liens affect the Nevada Club:

1. The lien of any taxes, sewer charges and water rents not yet due and payable.

2. The state of facts as shown on those certain surveys made by SE&A, Incorporated dated November 1, 1984 and November 9, 1984.

3. Reservations and Provisions as contained in Patent from The United States Of America, Recorded July 10, 1916, in Book 5 of Deeds, Pages 52 and 53, as Document No. 9139, Clark County, Nevada Records.

4. The rights of the State of Nevada or the State of Arizona to the bed of the Colorado River.

5. An easement for either or both pole lines, conduits and incidental purposes as conveyed to California-Pacific Utilities Company, by an instrument recorded January 26, 1962, in Book 339 of Official Records, Clark County, Nevada Records, as Document No. 274373, ten (10) feet in width.

6. An easement for either or both pole lines, conduits and incidental purposes as conveyed to California-Pacific Utilities Company, by an instrument recorded May 3, 1962, in Book 358 of Official Records, Clark County, Nevada Records, as Document No. 289199, ten (10) feet in width.

7. Financing Statement executed by Clark County, Debtor, in favor of First Interstate Bank Of Nevada, Secured Party, dated December 28, 1982, and recorded December 28, 1982, in Book 1665 of Official Records, Clark County, Nevada Records, as Document No. 1624559.

8. Financing Statement executed by Sahara-Nevada Corporation, Debtor, in favor of First Interstate Bank Of Nevada, N.A., Secured Party, dated December 28, 1982, and recorded December 28, 1982, in Book 1665 of Official Records Clark County, Nevada Records, as Document No. 1624560.

9. Conditions, Easements, Restrictions and Reservations in Contract of Sale between the United States and the State of Nevada recorded October 26, 1966 in Book 754 of Official Records, Clark County, Nevada Records as Document No. 606204.

10. Reservations in Patent from the State of Nevada recorded May 12, 1967 in Book 796 of Official Records, Clark County, Nevada as Document No. 639446.

11. Right-of-Way Grant in favor of California-Pacific Utilities Company, a California Corporation, recorded June 12, 1970 in Book 40, of Official Records, Clark County, Nevada, as Document No. 31635.

12. Right-of-Way Grant in favor of Black Mesa Pipeline, Inc., a Delaware Corporation, recorded December 22, 1970 in Book 88, of Official Records of Clark County, Nevada as Document No. 69803.

13. Right-of-Way Grant recorded March 27, 1975 in Book 505, of Official Records of Clark County, Nevada as Document No. 464501.

14. An easement in favor of Sundance Shores Homeowners Association recorded August 24, 1976 in Book 653, of Official Records of Clark County, Nevada as Document No. 612711.

15. A Grant of Easement in favor of Desert River, Inc., a Nevada Corporation, recorded March 11, 1983 in Book 1702, of Official Records of Clark County, Nevada as Document No. 1661072.

16. Easements and Dedications as provided or delineated on the plat of parcel map on file in File 44 of Parcel Maps, page 40, Clark County, Nevada Records.

D-5

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

84 DEC 28 AIO:10

SUZANNE BELLEREAU
RECORDER

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