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AMENDED AND RESTATED  
DEED OF TRUST, LEASEHOLD DEED OF TRUST, ASSIGNMENT,  
ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT  
AND FINANCING STATEMENT

dated as of February 21, 1990

from

EMBASSY SUITES, INC.,  
HARRAH'S LAUGHLIN, INC.  
and  
HARRAH'S RENO HOLDING COMPANY, INC.,  
the Grantors,

to

FIRST AMERICAN TITLE COMPANY OF NEVADA,  
the Trustee,

and

VALLEY BANK OF NEVADA,  
the Beneficiary

Properties:

Harrah's Hotel and Casino, Reno, Washoe County,  
Harrah's Hotel and Casino, Lake Tahoe, Douglas County  
(including Bill's Casino, Lake Tahoe, Douglas County),  
Holiday Casino, Las Vegas, Clark County, and  
Harrah's Del Rio Hotel and Casino, Laughlin, Clark County,  
State of Nevada

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THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS AND SECURES OBLIGATIONS CONTAINING PROVISIONS FOR CHANGES IN INTEREST RATES, EXTENSIONS OF TIME FOR PAYMENT AND OTHER MODIFICATIONS IN THE TERMS OF SUCH OBLIGATIONS. THIS INSTRUMENT SECURES FUTURE ADVANCES WHICH ARE OBLIGATORY SUBJECT TO THE PROVISIONS OF THE SECURED DOCUMENTS.

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AMENDED AND RESTATED  
DEED OF TRUST, LEASEHOLD DEED OF TRUST, ASSIGNMENT,  
ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT  
AND FINANCING STATEMENT

AMENDED AND RESTATED DEED OF TRUST, LEASEHOLD DEED OF TRUST, ASSIGNMENT, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Deed of Trust") dated as of February 21, 1990 by EMBASSY SUITES, INC., a Delaware corporation having an address at 1023 Cherry Road, Memphis, Tennessee 38117 ("Embassy"), HARRAH'S RENO HOLDING COMPANY, INC., a Nevada corporation having its principal office at 300 East Second Street, Reno, Nevada 89501 ("Harrah's Reno Holding") and HARRAH'S LAUGHLIN, INC., a Nevada corporation having its principal office at 2900 South Casino Drive, Laughlin, Nevada 89029 ("Laughlin", each of Embassy, Laughlin and Harrah's Reno Holding being a "Grantor" and, collectively, the "Grantors"), to FIRST AMERICAN TITLE COMPANY OF NEVADA, a Nevada corporation having an address at 201 West Liberty Street, Reno, Nevada 89504, as trustee (the "Trustee") for the benefit of VALLEY BANK OF NEVADA, a Nevada corporation having an address at 300 South Fourth Street, Las Vegas, Nevada 89101 (the "Beneficiary"), not in its individual capacity but in its limited capacity as Collateral Sub-Agent for WILMINGTON TRUST COMPANY and WILLIAM J. WADE, as Collateral Agents for the Secured Parties (as defined below), including THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, as Administrative Agent, and CREDIT LYONNAIS, BANKERS TRUST COMPANY, THE BANK OF NEW YORK, CITIBANK, N.A. and THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, as Managing Agents and the Banks described in the Master Facility Agreement.\*

HARRAH'S, a Nevada corporation having its principal office at 300 East Second Street, Reno, Nevada 89501; HARRAH'S CLUB, a Nevada corporation having its principal office at 300 East Second Street, Reno, Nevada 89501; and HOLIDAY CASINO, INC., a Nevada corporation having its principal office at 300 East Second Street, Reno, Nevada 89501 (each a

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\* Capitalized terms are defined in, or by reference in, Section 1.01.

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"Collateral Grantor", collectively the "Collateral Grantors"), are executing and delivering this Deed of Trust for the purposes described in Section 7.03.

WITNESSETH:

WHEREAS:

AA. Reference is hereby made to the Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement (the "Old Deed of Trust") dated as of February 23, 1988 from Holiday Inns, Inc., a Tennessee corporation ("Holiday") as grantor (and the Collateral Grantors, as collateral grantors) to the Trustee, as trustee, for the benefit of Valley Bank of Nevada, a Nevada corporation ("Valley Bank"), as beneficiary, as collateral agent for the The Sumitomo Bank, Limited, New York Branch (the "Sumitomo"), recorded (i) on February 24, 1988 in the Official Records, Washoe County, Nevada, in Book 2694, at page 766, as File No. 1227963; (ii) on February 24, 1988 in the Official Records, Douglas County, Nevada, in Book 288, at page 3244, as File No. 173108; and (iii) on February 24, 1988 in the Official Records, Clark County, Nevada, in Book 880224, as Document No. 00251; (a) as modified by the First Amendment to Deed of Trust dated as of February 23, 1988 between Holiday, as grantor, and Valley Bank, as beneficiary, recorded on April 22, 1988 in the Official Records, Washoe County, Nevada, in Book 2729, at page 268, as File No. 1240979; on April 22, 1988 in the Official Records, Douglas County, Nevada, in Book 488, at page 2426, as File No. 176601; and on April 20, 1988 in the Official Records, Clark County, Nevada, in Book 880420, as Document No. 00370; and (b) as further modified by the Partial Reconveyance from the Trustee to Holiday recorded on November 3, 1989 in the Official Records, Washoe County, Nevada, in Book 2822, at page 704, as File No. 1285169 by which Parcel 12 of Part I of Exhibit A to the Old Deed of Trust was reconveyed to Holiday; and (c) as further modified by the Second Amendment to Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of February 7, 1990 among Embassy Suites, Inc., Holiday, the Trustee, the Beneficiary and the Collateral Grantors, recorded on February 7, 1990 in the Official Records, Washoe County, Nevada, as File No. 1379388; on February 7, 1990 in the Official Records, Douglas County, Nevada, as File No. 219687; and on February 7, 1990 in the Official Records, Clark County, Nevada, in Book 900207, as Document No. 00313.

BB. Holiday transferred the trust property subject to its interest under the Old Deed of Trust to Embassy and Embassy has assumed Holiday's obligations under the Old Deed of Trust by said Second Amendment to Deed of Trust.

CC. The trust property subject to the Old Deed of Trust continues to be subject to the Old Deed of Trust (which is being amended, restated and replaced by this Deed of Trust) and is the same as the Trust Property described herein, except that the Trust Property described herein also includes certain additional parcels, namely:

- (i) Parcel 15 described in Part I of Exhibit A,
- (ii) Parcel VIII described in Exhibit C, and
- (iii) the Laughlin Property described in Exhibit D.

DD. The Collateral Grantors include all of the collateral grantors under the Old Deed of Trust.

EE. The Trustee is the trustee under the Old Deed of Trust.

FF. The Beneficiary is the beneficiary under the Old Deed of Trust. The Beneficiary acted under the Old Deed of Trust as the collateral agent under the Old Master Collateral Agreement, has been replaced as such collateral agent by the Master Collateral Agreement (as defined below) and is designated as Collateral Sub-Agent under the Master Collateral Agreement.

GG. The Grantors, the Collateral Grantors, the Trustee and the Beneficiary desire to amend and to restate the Old Deed of Trust in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the premises, in consideration of the covenants, agreements and provisions hereinafter set forth, for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto hereby agree that the Old Deed of Trust is hereby amended and restated in its entirety to read as follows and, as so amended and restated replaces and supersedes the Old Deed of Trust:

RECITALS

WHEREAS:

A. Embassy is the owner of, or holds certain leasehold or other interests in, the Reno Property described in Exhibit A, the Lake Tahoe Property described in Exhibit B and the Las Vegas Property described in Exhibit C; and Laughlin is the owner of the Laughlin Property described in Exhibit D, and Harrah's Reno Holding holds a certain leasehold interest in the Reno Property described in Exhibit A, Part II-B, Parcel 4.

B. Embassy is a direct, wholly-owned subsidiary of The Promus Companies Incorporated, a Delaware corporation (the "Parent"). Laughlin is an indirect, wholly-owned subsidiary of Embassy. Embassy, the Parent, the Banks referred to therein, the Managing Agents and the Administrative Agent have entered into the Master Facility Agreement (as defined below) providing for and governing certain terms with respect to credit facilities to be extended by the Administrative Agent and the Banks to or for the account of Embassy and certain of its Eligible Subsidiaries in a total principal amount of up to \$1,019,506,250.

C. Pursuant to the Master Facility Agreement, Laughlin and certain other Guarantors entered into the Guarantee Agreement (as defined below), pursuant to which the Parent, Laughlin and the other Guarantors guaranteed the obligations of Embassy and the other Borrowers under the Master Facility Agreement, the Reimbursement Agreement, the Term Loan Agreement, the Revolving Facility Agreement and the other Credit Documents (as defined below).

D. Pursuant to the Master Facility Agreement, Embassy, the other collateral grantors referred to therein (including the Laughlin), the Administrative Agent and the Beneficiary entered into the Master Collateral Agreement (as defined below), pursuant to which the Grantors are executing and delivering this Deed of Trust.

E. This Deed of Trust is the Deed of Trust described in the Master Facility Agreement and the Master Collateral Agreement.

F. In order to induce the Administrative Agent, the Managing Agents and the Banks that are parties to the Master Facility Agreement to enter into the Master Facility Agreement and the Facility Agreements (as defined in the



Master Facility Agreement), the Grantors are willing to secure the Secured Obligations (as defined below) by this Deed of Trust.

G. The obligations secured by this Deed of Trust (the "Secured Obligations") are and shall be comprised from time to time of: (i) the Lien of this Deed of Trust granted by Embassy secures all indebtedness, liabilities and obligations of Embassy under any Secured Document (as defined below); (ii) the Lien of this Deed of Trust granted by Laughlin secures all indebtedness, liabilities and obligations of Laughlin under any Secured Document; (iii) the Lien of this Deed of Trust granted by Harrah's Reno Holding secures all indebtedness, liabilities and obligations of Harrah's Reno Holding under any Secured Document; (iv) all amendments, supplements, consolidations, replacements, restatements, extensions, renewals and other modifications, in whole or in part, of the indebtedness, liabilities and obligations described in clauses (i), (ii) and (iii); and (v) all liabilities and obligations of the Grantors in the nature of fees, charges, costs, expenses, and other amounts, including indemnification and reimbursement obligations, including advances made to protect the Collateral (including the Trust Property) and the Liens created by the Collateral Documents (including this Deed of Trust).

H. This Deed of Trust secures the maximum principal amount of the Secured Obligations of \$1,019,506,250 outstanding at any time, plus the other Secured Obligations described in paragraph G above.

#### GRANTING CLAUSES

NOW, THEREFORE, in consideration of the premises, the advances made and to be made to the Borrowers, and the issuance of the Letters of Credit issued and to be issued for the account of Embassy and participated in by the Administrative Agent and the Banks and under the Master Facility Agreement, the Reimbursement Agreement, the Term Loan Agreement and the Revolving Facility Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, for the purpose of securing the due and punctual payment, performance and observance of the Secured Obligations, and intending to be bound hereby, each Grantor and each Collateral Grantor does hereby GRANT, BARGAIN, SELL, CONVEY, MORTGAGE, ASSIGN, TRANSFER and WARRANT to the Trustee and its successors as Trustee hereunder IN TRUST for the benefit of the Beneficiary and its successors

as Collateral Sub-Agent under the Master Collateral Agreement, upon the provisions of this Deed of Trust, with power of sale and right of entry as hereinafter provided, and (to the extent covered by the Nevada Uniform Commercial Code) GRANT AND WARRANT to the Beneficiary and its successors as Collateral Sub-Agent under the Master Collateral Agreement a continuing security interest in, all of the property and rights described in the following Granting Clauses (all of which property and rights are collectively the "Trust Property"), to wit:

GRANTING CLAUSE I.

Land.

A. Fee Parcels. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from the tracts or parcels of land located in (i) Washoe County, Nevada, more particularly described in Exhibit A, Part I (the "Reno Fee Parcel"); (ii) Douglas County, Nevada, more particularly described in Exhibit B (the "Lake Tahoe Fee Parcel"); (iii) Clark County, Nevada, more particularly described in Exhibit C (the "Las Vegas Fee Parcel"); (iv) Clark County, Nevada, more particularly described in Exhibit D (the "Laughlin Property"; each of the Reno Fee Parcel, the Lake Tahoe Fee Parcel, the Las Vegas Fee Parcel and the Laughlin Fee Parcel being a "Fee Parcel").

B. Leased Parcels. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from the Reno Ground Leases described in Exhibit A, Part II-A (each a "Ground Lease") affecting the tracts or parcels of land located in Washoe County, Nevada, described in said Exhibit A, Part II-B (each a "Reno Leased Parcel" or "Leased Parcel") and the Improvements now or hereafter located thereon, together with all amendments, supplements, consolidations, replacements, restatements, extensions, renewals and other modifications of each Ground Lease now or hereafter entered into in accordance with the provisions thereof; together with all other, further, additional or greater estate, right, title or interest of the Relevant Grantor in, to, under or derived from each Leased Parcel and the Improvements now or hereafter located thereon which may at any time be acquired by such Grantor by the terms of the relevant Ground Lease, by reason of the exercise of any option thereunder or otherwise, including the right of such Grantor to possession under Section 365 of the Bankruptcy Code in the event of the rejection of the relevant Ground Lease by the landlord thereunder or its trustee pursuant to said Section;

and together with all rights and benefits of whatsoever nature derived or to be derived by the Relevant Grantor under each Ground Lease, including (subject to the terms hereof) the rights to exercise options, to give consents, to modify, extend or terminate such Ground Lease, to surrender such Ground Lease, to elect to treat such Ground Lease as rejected or to remain in possession under Section 365(h) of the Bankruptcy Code, and to receive all deposits and other amounts payable to such Grantor under such Ground Lease (each of the Fee Parcels and the Leased Parcels being a "Parcel" and collectively the "Parcels" or singularly and collectively the "Land"). To the extent that any Ground Lease may not be encumbered by a deed of trust but may be encumbered by a mortgage, this Deed of Trust shall constitute a mortgage with respect thereto and the Relevant Grantor and the relevant Collateral Grantors do hereby grant and mortgage such Ground Lease to the Beneficiary.

#### GRANTING CLAUSE II.

Improvements. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all buildings, structures and other improvements of every kind and description now or hereafter located on the Land, including all parking areas, roads, driveways, walks, fences, walls, berms, recreation facilities, drainage facilities, lighting facilities and other site improvements, all water, sanitary and storm sewer, drainage, electricity, steam, gas, telephone and other utility equipment and facilities, all plumbing, lighting, heating, ventilating, air-conditioning, refrigerating, incinerating, compacting, fire protection and sprinkler, surveillance and security, vacuum cleaning, public address and communications equipment and systems, all kitchen and laundry appliances, screens, awnings, floor coverings, partitions, elevators, escalators, motors, machinery, pipes, fittings and other items of equipment and personal property of every kind and description now or hereafter located on the Land or attached to the Improvements which by the nature of their location thereon or attachment thereto are real property under applicable law; and including all materials intended for the construction, reconstruction, repair, replacement, alteration, addition or improvement of or to such buildings, equipment, fixtures, structures and improvements, all of which materials shall be deemed to be part of the Trust Property immediately upon delivery thereof on the Land and to be part of the Improvements immediately upon their incorporation therein (the foregoing being collectively the "Improvements"; the Reno Fee Parcel, the Reno Leased Parcel and the Improvements now or hereafter located thereon



being the "Reno Property"; the Lake Tahoe Fee Parcel and the Improvements now or hereafter located thereon being the "Lake Tahoe Property"; the Las Vegas Fee Parcel and the Improvements now or hereafter located thereon being the "Las Vegas Property"; and each of the Reno Property, the Lake Tahoe Property and the Las Vegas Property being a "Property", collectively the "Properties").

GRANTING CLAUSE III.

Appurtenant Rights. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all tenements, hereditaments and appurtenances located in the State of Nevada now or hereafter relating to the Properties; the streets, roads, sidewalks and alleys abutting the Land; all strips and gores within or adjoining the Land; all land in the bed of any body of water adjacent to the Land; all land adjoining the Land created by artificial means or by accretion; all air space and rights to use said air space above the Land; all development or similar rights appurtenant to the Land; all rights of ingress and egress now or hereafter appertaining to the Properties; all easements now or hereafter appertaining to the Properties; and all royalties and other rights appertaining to the use and enjoyment of the Properties, including alley, drainage, oil, gas and other mineral, riparian and other water rights.

GRANTING CLAUSE IV.

Agreements. All estate, right, title and interest of the Relevant Grantor in, to, under and derived from the contracts and agreements described in Exhibit E, all insurance policies (including all unearned premiums and dividends thereunder), guarantees and warranties relating to the Properties and all supply and service contracts for water, sanitary and storm sewer, drainage, electricity, steam, gas, telephone and other utilities relating to the Properties (the foregoing being collectively the "Agreements").

GRANTING CLAUSE V.

Assigned Leases. All estate, right, title and interest of the Relevant Grantor in, to, under and derived from all Leases (other than the Ground Leases assigned under Granting Clause I.B.) now or hereafter in effect, whether or not of record, for the use or occupancy of all or any part of the Properties, together with all amendments, supplements, consolidations, replacements, restatements, extensions,

renewals and other modifications of any thereof; and together with all guarantees of any of the obligations of the tenants under any of the Assigned Leases; and together with all Security Deposits given by any tenants under any of the Assigned Leases (the foregoing being collectively the "Assigned Leases").

GRANTING CLAUSE VI.

Rents, Issues and Profits. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all rents, royalties, issues, profits, receipts, revenue, income and other benefits now or hereafter, including during any period of redemption, accruing with respect to the Properties; all rents and other sums now or hereafter, including during any period of redemption, payable pursuant to the Assigned Leases; all other sums now or hereafter, including during any period of redemption, payable with respect to the use, occupancy, management, operation or control of the Properties; and all other claims, rights and remedies now or hereafter, including during any period of redemption, belonging to or accruing with respect to the Properties, including fixed, additional and percentage rents, occupancy charges, security deposits, parking, maintenance, common area, tax, insurance, utility and service charges and contributions (whether collected under the Assigned Leases or otherwise), proceeds of sale of electricity, gas, heating, air-conditioning and other utilities and services (whether collected under the Assigned Leases or otherwise), deficiency rents and liquidated damages following default or cancellation (the foregoing rents and other sums described in this Granting Clause being collectively the "Rents"), all of which the Relevant Grantor hereby irrevocably directs be paid to the Beneficiary, subject to Section 5.07, to be held, applied and disbursed as provided in this Deed of Trust and the Master Collateral Agreement.

GRANTING CLAUSE VII.

Permits. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all licenses, authorizations, certificates, variances, consents, approvals and other permits now or hereafter appertaining to the Properties (the foregoing being collectively the "Permits"), excluding from the grant under this Granting Clause (but not the definition of the term "Permits" for the other purposes hereof) such Permits (including the gaming and liquor licenses to the extent the same are not transferable) which cannot be transferred or encumbered by the Relevant

Grantor without causing a default thereunder or a termination thereof.

GRANTING CLAUSE VIII.

Deposits. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all amounts deposited with the Beneficiary hereunder, including all Insurance Proceeds and Awards deposited in the Restoration Account, and including all notes, certificates of deposit, securities and other investments relating thereto and all interest, dividends and other income thereon, proceeds thereof and rights relating thereto (the foregoing being collectively the "Deposits").

GRANTING CLAUSE IX.

Proceeds and Awards. All estate, right, title and interest of the Relevant Grantor in, to, under or derived from all proceeds of any sale, transfer, financing, refinancing or conversion into cash or liquidated claims, whether voluntary or involuntary, of any of the Trust Property, including all Insurance Proceeds, all Awards, all title insurance proceeds under any title insurance policy now or hereafter held by such Grantor, and all rights, dividends and other claims of any kind whatsoever (including damage, secured, unsecured, priority and bankruptcy claims) now or hereafter relating to any of the Trust Property, all of which such Grantor hereby irrevocably directs be paid to the Beneficiary to the extent provided hereunder, to be held, applied and disbursed as provided in this Deed of Trust and the Master Collateral Agreement.

GRANTING CLAUSE X.

Further Property. All greater estate, right, title and interest of the Relevant Grantor in, to, under or derived from the Trust Property hereafter acquired by such Grantor, and all right, title and interest of such Grantor in, to, under or derived from all extensions, improvements, betterments, renewals, substitutions and replacements of, and additions and appurtenances to, any of the Trust Property hereafter acquired by or released to such Grantor or constructed or located on, or attached to, the Properties, in each case, immediately upon such acquisition, release, construction, location or attachment, without any further conveyance, mortgage, assignment or other act by such Grantor; and all estate, right, title and interest of such Grantor in, to, under or derived from any other property and rights

which are, by the provisions of the Secured Documents, required to be subjected to the Lien hereof; and all right, title and interest of such Grantor in, to, under or derived from all other property and rights which are by any instrument or otherwise subjected to the Lien hereof by such Grantor or by anyone acting on its behalf.

TO HAVE AND TO HOLD the Trust Property, together with all estate, right, title and interest of the Relevant Grantor and anyone claiming by, through or under such Grantor in, to, under or derived from the Trust Property and all rights and appurtenances relating thereto, to the Trustee and its successors as Trustee hereunder for the benefit of the Beneficiary and its successors as Collateral Agent under the Master Collateral Agreement, forever, subject to the Permitted Property Liens;

PROVIDED ALWAYS that this Deed of Trust is upon the express condition that the Trust Property shall be released from the Lien of this Deed of Trust in full or in part in the manner and at the time provided in Article VII of the Master Collateral Agreement as referred to in Section 7.04.

THE GRANTORS ADDITIONALLY COVENANTS AND AGREES WITH THE TRUSTEE AND THE BENEFICIARY AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 1.01. Definitions. (a) Capitalized terms used in this Deed of Trust, but not defined herein, are defined in, or by reference in, the Master Collateral Agreement and have the same meanings herein as therein.

(b) In addition, in this Deed of Trust, unless otherwise specified, the following terms have the following meanings:

"Administrative Agent" is defined in the Master Facility Agreement.

"Agreements" is defined in Granting Clause IV.

"Alteration" means the construction of any new Improvement on any Property or the alteration of, addition to or improvement of any Property, and "Alter" means to construct any new Improvement on any Property

or to alter, add to or improve any Property, in each case including the demolition of any Improvement.

"Assigned Leases" is defined in Granting Clause V.

"Awards" means, at any time, all awards or payments paid or payable by reason of any Condemnation, including all amounts paid or payable with respect to any Transfer in lieu or anticipation of Condemnation or any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Condemnation.

"Bankruptcy Code" means the Bankruptcy Code of 1978.

"Bank" is defined in the the Master Facility Agreement.

"Beneficiary" is defined in the Preamble and Section 7.08.

"Borrower" is defined in the Master Facility Agreement.

"Casino" is defined in Section 5.02(b).

"Casualty" means any damage to, or destruction of, any Property.

"Certificate" or "Certified" means a written certificate in which the Person signing the same shall certify to the correctness of the statements contained therein and, upon the request of the Person to whom the certificate is rendered, (i) specify the provision to which such certificate relates; (ii) state that it is made to induce the Person to whom it is addressed or delivered to rely thereon and (if applicable) to take action in reliance thereon; and (iii) (A) as to an original or copy of any document, state that such document is the original document or that such copy is a true copy of the original, as the case may be; and (B) as to other matters, (1) state briefly the nature and scope of the examination or investigation upon which the statements contained in the certificate are based; (2) state that it is the opinion of such individual that he has made such examination or investigation as is reasonably necessary to enable him to express an informed opinion as to whether or not such provision has



been complied with; (3) state whether or not it is the opinion of such individual that such provision has been complied with, and (4) cover such other matters as the Person to whom the certificate is addressed may reasonably request. If a Certificate is required to be delivered by a corporation, unless otherwise provided herein, it shall be signed by an officer who shall also certify his authority to sign such Certificate. If a Certificate is required to be delivered by a partnership, unless otherwise provided herein, it shall be signed by a general partner thereof who shall also certify as to his authority to sign such Certificate.

"Collateral" is defined in the Master Collateral Agreement.

"Collateral Documents" is defined in the Master Collateral Agreement.

"Collateral Grantors" is defined in the Preamble.

"Collateral Sub-Agent" is defined in Supplement No. 1 to the Master Collateral Agreement dated as of the date hereof among Embassy, Laughlin, the Collateral Grantors, the Administrative Agent, the Managing Agents and the Collateral Agents.

"Condemnation" means any condemnation or other taking or temporary or permanent acquisition of any Property, any interest therein or right appurtenant thereto, or any change of grade affecting any Property, as the result of the exercise of any right of condemnation or eminent domain. A Transfer in lieu or anticipation of Condemnation shall be deemed to be a Condemnation.

"Credit Documents" is defined in the Master Facility Agreement.

"Credit Lyonnais" means Credit Lyonnais, Cayman Island branch and Credit Lyonnais, New York Branch.

"Deed of Trust" is defined in the Preamble.

"Default" is defined in the Master Facility Agreement.

"Deposits" is defined in Granting Clause VIII.

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"Eligible Subsidiary" is defined in the the Master Facility Agreement.

"Embassy" is defined in the Preamble.

"Environmental Laws" is defined in the Master Facility Agreement.

"Event of Default" is defined in the Master Facility Agreement.

"Facility" is defined in the the Master Facility Agreement.

"Facility Agreements" is defined in the Recitals.

"Fee Parcel", "Reno Fee Parcel", "Lake Tahoe Fee Parcel" and "Las Vegas Fee Parcel" are defined in Granting Clause I.A.

"Gaming Regulations" is defined in the Master Facility Agreement.

"Grantor" is defined in the Preamble and Section 7.08.

"Ground Lease" is defined in Granting Clause I.B.

"Ground Rents" means all rents and other amounts required to be paid by the tenants under the Ground Leases.

"Guarantee Agreement" means the Guarantee Agreement dated as of or about the date hereof made by the Parent, the other Guarantors listed therein (including Laughlin) in favor of the Administrative Agent, the Managing Agents and the Banks.

"Guarantor" is defined in the Guarantee Agreement.

"Hazardous Substances" means petroleum, gas (natural, synthetic or liquified), petroleum or gas products, "hazardous substances" or "toxic substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Sections 9061 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Sections 1802 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.) or any other materials or substances



the removal of which is required, the maintenance of which is prohibited or penalized under applicable federal, state or local law or for which a permit is required.

"Holiday" is defined in the Recitals.

"Impositions" means all taxes (including real estate taxes and sales and use taxes), assessments (including all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof), water, sewer or other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereon), which at any time may be assessed, levied, confirmed or imposed on or in respect of, or be a Lien upon, (i) any Property, any other Trust Property or any interest therein, (ii) any occupancy, use or possession of, or activity conducted on, any Property, (iii) the Rents, revenues or receipts from any Property or the use or occupancy thereof, or (iv) the Secured Obligations or the Secured Documents, but excluding income, excess profits, franchise, capital stock, estate, inheritance, succession, gift or similar taxes of any Secured Party, except to the extent that such taxes of any Secured Party are imposed in whole or in part in lieu of, or as a substitute for, any taxes which are or would otherwise be Impositions.

"Improvements" is defined in Granting Clause II.

"Indemnification Obligation" is defined in Section 4.04.

"Indemnified Party" is defined in Section 4.04.

"Insurance Policies" means the insurance policies and coverages required to be maintained by the Grantors pursuant to Section 3.01(a) and maintained pursuant to Section 3.01(e).

"Insurance Premiums" means all premiums for the Insurance Policies.

"Insurance Proceeds" means, at any time, all insurance proceeds or payments to which the Grantors may

be or become entitled by reason of any Casualty under the Insurance Policies maintained by the Grantors pursuant to clauses (i), (ii), (iii), (iv), (v), (vii) and (ix) (for property insurance) of Section 3.01(a) and pursuant to Section 3.01(e) (for property insurance), plus (i) the amounts of any deductibles under such Insurance Policies; (ii) if the Grantors fail to maintain any of such Insurance Policies, the amounts which would have been available with respect to such Casualty had the Grantors maintained such Insurance Policies; (iii) all insurance proceeds and payments to which the Grantors may be or become entitled by reason of any Casualty under any other insurance policies or coverages maintained by the Grantors with respect to the applicable Property; (iv) the amounts of all self-insurance of the insurance coverages required to be maintained under Section 3.01(a) (for property insurance); and (v) if any captive insurance company providing any insurance coverage required to be maintained under Section 3.01(a) (for property insurance) fails to pay any amount payable under any Insurance Policy (for property insurance) issued by such captive insurance company, the amount which should have been paid by such captive insurance company under such Insurance Policy.

"Insurance Requirements" means all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon each Grantor or applicable to each Property, any adjoining vaults, sidewalks, parking areas or driveways or any use or condition thereof.

"Interest Rate" means the fluctuating interest rate per annum (computed on the basis of a year of 360 days) equal to (i) 1.5% per annum plus the Base Rate or (ii) if an Event of Default shall be continuing, 3.5% per annum plus the Base Rate, but such fluctuating interest rate shall in no event be higher (with respect to each amount due and payable hereunder, from the date such amount is due and payable until the date such amount is paid in full) than the maximum rate permitted under applicable law.

"Issuing Bank" is defined in the the Master Facility Agreement.

"Land" is defined in Granting Clause I.B.

"Laughlin" is defined in the Preamble.

"Lease" means any lease, tenancy, subtenancy, license, franchise, concession or other occupancy agreement relating to any Property, together with any guarantee of the obligations of the landlord or the tenant thereunder, or any occupancy or right to possession under Section 365 of the Bankruptcy Code in the event of the rejection of any Lease by the landlord or its trustee pursuant to said Section; "landlord" means the landlord, sublandlord, lessor, sublessor, franchisor or other grantor of a right of occupancy under a Lease and any guarantor of its obligations thereunder; and "tenant" means the tenant, subtenant, lessee, sublessee, licensee, franchisee, concessionaire or other occupant under a Lease and any guarantor of its obligations thereunder.

"Leased Parcel" and "Reno Leased Parcel" are defined in Granting Clause I.B.

"Legal Requirements" means all provisions of the Permitted Property Liens, all provisions of the Permits (including the Permits required under the Gaming Regulations) and all applicable laws (including the Environmental Laws and the Gaming Regulations), statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, directions and requirements of, and agreements with, governmental bodies, agencies or officials, now or hereafter applicable to each Property, any adjoining vaults, sidewalks, streets or ways or any use or condition thereof.

"Letter of Credit" means any of the Old Note LC or any Revolver LC.

"License Letter Agreement" is defined in the Master Facility Agreement.

"Licensee" is defined in Section 5.02(b).

"Lien" means, with respect to any property or asset, (i) any mortgage, deed of trust, deed to secure debt, lien, pledge, charge, security interest or other encumbrance of any kind with respect to such property or asset (including any installment sale, conditional sale or other title retention agreement); and (ii) any ease-

ment, right of way, servitude, reservation, restriction, possibility of reverter, occupancy, tenancy, lease, sublease, license, agreement, option, cloud, claim, defect or other title exception with respect to such property or asset.

"Major Alteration" or "Major Restoration" means, respectively, any Alteration or Restoration which (i) involves the construction of a new building, (ii) costs in excess of \$20,000,000 or more (with respect to any item of work or series of, or related, items of work constituting a single project), or (iii) occurs while an Event of Default is continuing.

"Managing Agents" is defined in the Master Facility Agreement.

"Master Collateral Agreement" means the Amended and Restated Master Collateral Agreement dated as of or about the date hereof among Embassy, the other collateral grantors described therein (including the Grantors and the Collateral Grantors named herein), the Collateral Agent and the Administrative Agent, a copy of which is attached hereto as Exhibit H.

"Master Facility Agreement" means the Master Facility Agreement dated as of or about the date hereof among Embassy, the Parent, the Banks, the Managing Agents and the Administrative Agent.

"Material Alteration" or "Material Restoration" means, respectively, any Alteration or Restoration which (i) is a Major Alteration or Major Restoration, (ii) affects the exterior dimensions of any building, (iii) costs \$2,500,000 or more (with respect to any item of work or series of, or related, items of work constituting a single project) per project or \$12,500,000 or more in the aggregate for any Property over a 12-month period, or (iv) occurs while an Event of Default is continuing.

"Material Casualty" means any Casualty which involves damage to any Property amounting to \$1,000,000 or more or occurs while an Event of Default is continuing.

"Material Assigned Lease" means any Assigned Lease which (i) is to the Parent or a Subsidiary of Embassy, the Parent or any other Person controlling Embassy as a Subsidiary, (ii) covers 7,500 square feet of space or

more in any Property, (iv) covers in the aggregate with all other Assigned Leases applicable to any Property more than 10% of the space in such Property, (v) provides for the payment of annual Rents aggregating for such Assigned Lease \$20,000 or more per month, or (vi) provides for a term (including all rights or options to extend the term) of ten years or more.

"Material Condemnation" means any Condemnation which involves the taking of or interest in the Trust Property having a value of \$1,000,000 or more or involving a material right benefiting any Property or occurs while an Event of Default is continuing.

"National Flood Insurance Program" means the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (42 U.S.C. Sections 4001, et seq).

"Notice of an Event of Default" means a written notice to the Collateral Agent from the Administrative Agent on behalf of the Required Banks stating that an Event of Default is continuing.

"N.R.S." means Nevada Revised Statutes (1989) (Michie).

"Obligor" is defined in the Master Facility Agreement.

"Old Deed of Trust" is defined in the Preamble.

"Old Note LC" is defined in the Reimbursement Agreement.

"Parcel" is defined in Granting Clause I.B.

"Parent" is defined in the Recitals.

"Permits" is defined in Granting Clause VII.

"Permitted Property Liens" means the Liens described in Exhibit F.

"Proceeds" is defined in Section 3.06

"Promissory Notes" is defined in the Master Facility Agreement.



"Property", "Reno Property", "Lake Tahoe Property" and "Las Vegas Property" are defined in Granting Clause II.

"Receiver" is defined in Section 5.02(a)(iv).

"Reimbursement Agreement" means the Amended and Restated Reimbursement Agreement dated as of or about the date hereof among the Embassy, the Parent, Holiday, Holiday Corporation and Sumitomo.

"Relevant Grantor" means (i) Embassy with respect to the Reno Property except as to the Lease described in Exhibit A, Part II-A1(B), the Lake Tahoe Property and the Las Vegas Property, (ii) Laughlin with respect to the Laughlin Property and (iii) Harrah's Reno Holding with respect to the Lease described in Exhibit A, Part II-A1(B) to the Reno Property.

"Reno Ground Leases" is defined in Exhibit A, Part II-A.

"Rents" is defined in Granting Clause VI.

"Required Banks" is defined in the Master Facility Agreement.

"Restoration" means the restoration, repair, replacement or rebuilding of a Property after a Casualty or Condemnation and "Restore" means to restore, repair, replace or rebuild a Property after a Casualty or Condemnation, in each case as nearly as possible to its value and condition immediately prior to such Casualty or Condemnation.

"Restoration Account" is defined in Section 3.06.

"Revolver LC" is defined in the Revolving Facility Agreement.

"Revolving Facility Agreement" means the Revolving Facility Agreement dated as of or about the date hereof among the Embassy, the Parent, the Banks, the Managing Agents and the Administrative Agent.

"Revolving Loan" is defined in the Revolving Facility Agreement.

"Secured Documents" means the Master Facility Agreement, the Reimbursement Agreement, the Term Loan Agreement, the Revolving Facility Agreement, the Guarantee Agreement and the other Credit Documents, including this Deed of Trust and the other Collateral Documents, including the Master Collateral Agreement, but excluding the Net Lease Agreements and the License Letter Agreement.

"Secured Obligations" is defined in Recitals.

"Secured Parties" is defined in the Master Collateral Agreement.

"Security Deposit" means any payment, note, or other security or deposit made or given by or on behalf of a tenant under a Assigned Lease as security for the performance of its obligations thereunder.

"Subsidiary Agreements" is defined in Section 2.12.

"Sumitomo" is defined in the Recitals.

"Term Loan Agreement" means the Term Loan Agreement dated as of or about the date hereof among the Embassy, the Parent, the Banks, the Managing Agents and the Administrative Agent.

"Term Loan" is defined in the Term Loan Agreement.

"Title Policy" is defined in Exhibit F.

"Transfer" means, when used as a noun, any sale, conveyance, assignment or other transfer and, when used as a verb, to sell, convey, assign or otherwise transfer, in each case (i) whether voluntary or involuntary, (ii) whether direct or indirect and (iii) including any agreement providing for a Transfer or granting any right or option providing for a Transfer.

"Trustee" is defined in the Preamble and Section 7.08.

"Trust Property" is defined in the Granting Clauses.

"Unavoidable Delays" means delays due to acts of God, fire, flood, earthquake, explosion or other Casualty, inability to procure or shortage of labor,



equipment, facilities, sources of energy (including electricity, steam, gas or gasoline), materials or supplies, failure of transportation, strikes, lockouts, action of labor unions, Condemnation, litigation relating to Legal Requirements, inability to obtain Permits or other causes beyond the reasonable control of the Grantors, provided that lack of funds shall not be deemed to be a cause beyond the control of the Grantors.

(c) In this Deed of Trust, unless otherwise specified, references to each of this Deed of Trust, the Ground Leases, the Master Facility Agreement, the other Credit Documents, the Master Collateral Agreement, the other Collateral Documents, the other Secured Documents and the Secured Obligations include all amendments, supplements, consolidations, replacements, extensions, renewals and other modifications thereof entered into in accordance with the provisions thereof.

SECTION 1.02. Interpretation. In this Deed of Trust, unless otherwise specified, (i) singular words include the plural and plural words include the singular; (ii) words which include a number of constituent parts, things or elements, including the terms Ground Lease (and each of the Ground Leases included in such term), Improvement, Land, Parcel (and each of the Parcels included in such term), Property (and each of the Properties included in such term), Secured Obligation and Trust Property, shall be construed as referring separately to each constituent part, thing or element thereof, as well as to all of such constituent parts, things or elements as a whole; (iii) words importing any gender include the other genders; (iv) references to any Person include such Person's successors and assigns and in the case of an individual, the word "successors" includes such Person's heirs, devisees, legatees, executors, administrators and personal representatives; (v) references to any statute or other law include all applicable rules, regulations and orders adopted or made thereunder and all statutes or other laws amending, consolidating or replacing the statute or law referred to; (vi) [reserved]; (vii) the words "consent", "approve" and "agree", and derivations thereof or words of similar import, mean the prior written consent, approval or agreement of the Person in question; (viii) the words "include" and "including", and words of similar import, shall be deemed to be followed by the words "without limitation"; (ix) the words "hereto", "herein", "hereof" and "hereunder", and words of similar import, refer to this Deed of Trust in its entirety; (x) references to Articles, Sections, Schedules, Exhibits, subsections,

paragraphs and clauses are to the Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses of this Deed of Trust; (xi) the Schedules and Exhibits to this Deed of Trust are incorporated herein by reference; (xii) the titles and headings of Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses are inserted as a matter of convenience and shall not affect the construction of this Deed of Trust; (xiii) no inference in favor of or against any Person shall be drawn from the fact that such Person or its attorneys drafted any portion hereof; (xiv) all obligations of the Grantors hereunder shall be satisfied by the Grantors at the Grantors' sole cost and expense; and (xv) all rights and powers granted to the Beneficiary or the Trustee hereunder shall be deemed to be coupled with an interest and be irrevocable.

## ARTICLE II

### CERTAIN WARRANTIES AND COVENANTS OF THE GRANTORS

SECTION 2.01. Authority and Effectiveness. (a) The Grantors represent and warrant that (i) each Grantor is a corporation duly formed, validly existing and in good standing under the laws of the State of its incorporation, and in the case of Embassy qualified to do business in the Nevada, and has all material governmental licenses, authorizations, consents, approvals and other qualifications required to carry on its business as now conducted, to own the Fee Parcels and the leasehold interests under the Ground Leases and to execute, deliver and perform this Deed of Trust; (ii) the execution, delivery and performance by each Grantor of this Deed of Trust are within such Grantor's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with (other than the Necessary Filings which have been made), any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law, of the certificate of incorporation or by-laws of such Grantor or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Grantor or relating to the Properties or result in the creation or imposition of any Lien on any asset of such Grantor (other than the Lien of this Deed of Trust), other than such contraventions or defaults which would not have a material adverse effect on the Trust Property, any interest therein or this Deed of Trust; and (iii) assuming the due authorization, execution and delivery by, and valid and binding effect upon, the

Beneficiary, this Deed of Trust constitutes a legal, valid and binding agreement of each Grantor.

(b) The Grantors shall cause the representations and warranties in subsection (a) of this Section to continue to be true in each and every respect.

SECTION 2.02. Title and Further Assurances. (a) The Grantors represent and warrant with respect to each Property that (i) the Relevant Grantor is the owner of the fee simple interest in each Fee Parcel comprising part of such Property and the Improvements thereon (except for trade fixtures and other improvements owned by tenants under Assigned Leases and other Persons under the Agreements), free and clear of all Liens other than the Permitted Property Liens; (ii) each Ground Lease relating to such Property creates, and constitutes in the tenant thereunder, a valid and subsisting leasehold interest in the Leased Parcel covered thereby; (iii) the Relevant Grantor is the sole owner of the tenant's interest under each Ground Lease relating to such Property, in each case free and clear of all Liens other than the Permitted Property Liens; (iv) the Relevant Grantor is the owner of the Improvements on each Leased Parcel comprising such Property (except for trade fixtures and other improvements owned by tenants under Assigned Leases and other Persons under the Agreements), in each case subject to the provisions of the applicable Ground Lease and free and clear of all Liens other than the Permitted Property Liens; (v) the Relevant Grantor is the owner of the other items constituting the Trust Property relating to such Property, in each case free and clear of all Liens other than the Permitted Property Liens; and (vi) this Deed of Trust constitutes a valid, binding and enforceable first Lien on the Trust Property relating to such Property, subject only to the Permitted Property Liens.

(b) The Grantors shall (i) cause the representations and warranties in subsection (a) of this Section to be true and correct in each and every respect; and (ii) forever preserve, protect, warrant and defend (A) the estate, right, title and interest of the Grantors in and to the Trust Property, (B) the validity, enforceability and priority of the Lien of this Deed of Trust on the Trust Property, and (C) the right, title and interest of the Beneficiary, the Trustee and any purchaser at any sale of the Trust Property hereunder or relating hereto, in each case against all other Liens and claims whatsoever, subject only to the Permitted Property Liens.

(c) At the request of the Beneficiary, the Grantors shall (i) promptly correct any defect or error which may be discovered in this Deed of Trust or any financing statement or other document relating hereto; and (ii) promptly execute, acknowledge, deliver, record and re-record, register and re-register, and file and re-file this Deed of Trust and any financing statements or other documents which the Beneficiary may require from time to time (all in form and substance satisfactory to the Beneficiary) in order (A) to effectuate, complete, perfect, continue or preserve the Lien of this Deed of Trust as a first Lien on the Trust Property, whether now owned or hereafter acquired, subject only to the Permitted Property Liens, or (B) to effectuate, complete, perfect, continue or preserve any right, power or privilege granted or intended to be granted to the Beneficiary or the Trustee hereunder.

SECTION 2.03. Secured Obligations. The Grantors shall duly and punctually pay, perform and observe the Secured Obligations binding upon them and cause each other Obligor to pay, perform and observe the Secured Obligations binding upon such other Obligor.

SECTION 2.04. Impositions. The Grantors shall (i) subject to Section 2.15, duly and punctually pay all Impositions prior to the delinquency date thereof ; (ii) subject to Section 2.15, duly and punctually file all returns and other statements required to be filed with respect to any Imposition; (iii) promptly notify the Beneficiary of the receipt by the Grantors of any notice of default in the payment of any Imposition or in the filing of any return or other statement relating to any Imposition and simultaneously furnish to the Beneficiary a Certified copy of such notice of default; and (iv) upon request, promptly deliver to the Beneficiary (A) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section, accompanied to the extent required by Certified copies of official receipts evidencing the payment of the Impositions, and (B) such other information and documents with respect to the matters referred to in this Section as the Beneficiary shall reasonably request.

SECTION 2.05. Deposits for Impositions, Insurance Premiums or Ground Rents. (a) At any time after the occurrence of an Event of Default within the preceding 360 day period, upon request by the Beneficiary, the Grantors shall deposit with the Beneficiary on the first day of each month following such request (i) a sum equal to 1/12 of the annual Impositions, Insurance Premiums or Ground Rents (as required



by the Beneficiary) reasonably estimated by the Beneficiary to become due with respect to the Property for the ensuing year and (ii) an additional sum equal to the aggregate of the payments of the Impositions, Insurance Premiums or Ground Rents next coming due, less the aggregate of the amounts on deposit and the amounts to be deposited pursuant to clause (i) of this Section prior to the next due dates thereof. If the amounts on deposit under this Section shall exceed the amounts required, the excess shall be credited to the subsequent deposits to be made by the Grantors. If the amounts on deposit under this Section shall be insufficient, upon request, the Grantors shall immediately deposit the deficiency with the Beneficiary. Except as required under applicable law, the Deposits under this Section shall be for the exclusive benefit of the Secured Parties and all right, title and interest in and to such Deposits shall be subject to the exclusive dominion and control of the Beneficiary. The Beneficiary shall invest and reinvest the Deposits under this Section pursuant to the provisions of Section 4.03 of the Master Collateral Agreement (which provisions are incorporated herein by reference and made applicable herein to such Deposits), except that the investments shall be selected by the Grantors (as long as no Event of Default is continuing as provided in said Section) subject to the consent of the Beneficiary, which shall not be unreasonably withheld, having due regard for the dates on which Impositions, Insurance Premiums or Ground Rents must be paid promptly upon receipt thereof. If the Beneficiary has requested that the Grantors make Deposits under this Section, the Beneficiary may notify the Grantors that they need no longer do so, whereupon the Grantors shall cease making such Deposits, provided that any such notice shall be without prejudice to the Beneficiary's right to require thereafter that the Grantors make Deposits under this Section. If the Beneficiary has requested that the Grantors make Deposits under this Section and no Event of Default occurs during the 360 days following such request, the Grantors may cease making such Deposits unless and until an Event of Default occurs and the Beneficiary exercises its right to require thereafter that the Grantors make Deposits under this Section.

(b) If Deposits are made under this Section, the Beneficiary shall make payments of the Impositions, Insurance Premiums or Ground Rents for which such Deposits are made prior to the delinquency date thereof, but only following actual receipt by the Beneficiary of the bills therefor, which the Grantors shall furnish to the Beneficiary not later than ten Business Days prior to the delinquency date thereof, and only to the extent that the amounts on deposit with the

Beneficiary at the time are sufficient to make such payments. Notwithstanding the foregoing or the fact any amounts deposited under this Section may be deposited with respect to certain Impositions, Insurance Premiums or Ground Rents, the Beneficiary may use any amounts on deposit under this Section to pay any Impositions, Insurance Premiums or Ground Rents as the same become due.

(c) If an Event of Default is continuing and the Beneficiary has received a Notice of an Event of Default pursuant to Section 3.04 of the Master Collateral Agreement, the Beneficiary shall have the right (i) to transfer the Deposits under this Section to the Collateral Account to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement, or (ii) subject to Section 7.01, to apply the Deposits held under this Section toward the cure of any Default.

SECTION 2.06. Legal and Insurance Requirements.

(a) The Grantors represent and warrant that (i) to the knowledge of the Grantors, as of the date hereof, the Properties and the use and operation thereof comply in all material respects with all Legal Requirements and Insurance Requirements; (ii) to the knowledge of the Grantors, there is no material default under any Legal Requirement or Insurance Requirement; and (iii) the execution, delivery and performance of this Deed of Trust do not require any consent under, and will not contravene any provision of or constitute a default under, any Legal Requirement or Insurance Requirement.

(b) The Grantors shall (i) subject to Section 2.15, duly and punctually comply in all material respects with all Legal Requirements and Insurance Requirements; (ii) procure, maintain and, subject to Section 2.15, duly and punctually comply in all material respects with all Permits required for any construction, reconstruction, repair, alteration, addition, improvement, maintenance, management, use and operation of the Properties; (iii) promptly notify the Beneficiary of the receipt by either Grantor of any notice of default under any Legal Requirement, Insurance Requirement or Permit or any possible or actual termination of any Permit or Insurance Policy and furnish to the Beneficiary a copy of such notice of default or termination; (iv) promptly after obtaining knowledge thereof notify the Beneficiary of any condition which, with or without the giving of notice or the passage of time or both, would constitute a material default under any material Legal Requirement, Insurance Requirement or Permit or a termination of any

material Permit or any Insurance Policy and the action being taken to remedy such condition; (v) upon request, promptly furnish to the Beneficiary a Certified copy of any Permit obtained by either Grantor with respect to the Property after the date hereof; and (vi) upon request, promptly deliver to the Beneficiary (A) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section, and (B) such other information and documents with respect to the matters referred to in this Section as the Beneficiary shall reasonably request.

SECTION 2.07. Status and Care of the Properties.

(a) The Grantors represent and warrant that (i) the Properties are served by all necessary water, sanitary and storm sewer, drainage, electric, steam, gas, telephone and other utilities and utility facilities, which utility facilities have capacities which are sufficient to serve the current and reasonably anticipated future use and occupancy of the Properties as presently constructed; (ii) all streets, roads or alleys adjacent to the Properties have been fully completed and properly dedicated, accepted or otherwise legally constituted as public streets, roads or alleys by the governmental entities having jurisdiction and the Properties have legal access thereto (including, as appropriate, access over properly-granted, perpetual, private rights of way or easements) sufficient to serve the current and reasonably anticipated future use and operation of the Properties as presently constructed; (iii) none of the Properties is located in an area designated as "flood prone" (as defined under the regulations adopted under the National Flood Insurance Program), except as shown on the survey of the Lake Tahoe Property described as item 9 of Schedule B of the Title Policy with respect to the Lake Tahoe Property, the survey of the Las Vegas Property described as items 25 and 41 of Schedule B of the Title Policy with respect to the Las Vegas Property, the survey of the Reno Property described as item 19 of Schedule B of the Title Policy with respect to the Reno Property and the survey of the Laughlin Property described as item 23 of Schedule B of the Title Policy with respect to the Laughlin Property; and (v) neither Grantor, nor Holiday, nor any Subsidiary of either Grantor or Holiday, nor (to the knowledge of each Grantor and each Subsidiary of each Grantor) any other Person has used or stored Hazardous Substances on any property other than in substantial compliance (except as disclosed by the report entitled "Hazardous Materials Site Assessment, Five Hotels and Casinos, Nevada and New Jersey", dated February 15, 1990 and prepared for the Grantors by Woodward-Clyde Consultants (the "Report")) with the Legal Requirements, generated or disposed of any



Hazardous Substances on or from any Property or used any Property as a disposal site for any Hazardous Substances. The Grantors acknowledge that the Managing Agents have received copies of the Report and agree that the Secured Parties may rely thereon.

(b) The Grantors (i) shall not cause or permit the Properties to be misused, wasted, disfigured or (subject to Section 3.02) damaged or (except, subject to the provisions of this Section, for reasonable wear and tear) to deteriorate; (ii) shall use and operate the Properties, or cause the same to be used and operated, for substantially the same uses and purposes, in substantially the same manner and under the same names as they are used and operated as of the date hereof; (iii) except to the extent permitted under Section 2.08 or required under the following clauses (iv) through (vi), shall not construct any new Improvement on or otherwise Alter any Property or permit any of the foregoing; (iv) shall operate and maintain the Properties, or cause the same to be operated and maintained, in good order, repair and condition; (v) shall promptly make, or cause to be made, all repairs, replacements, renewals, restorations, alterations, additions and improvements of and to the Properties, whether interior or exterior, structural or nonstructural or foreseen or unforeseen, necessary or appropriate to keep the Properties in good order, repair and condition, all of which repairs, replacements, renewals and restorations shall be equal in quality to or better than the Properties as of the date hereof and all of which alterations, additions and improvements shall comply with Section 2.08; (vi) shall do or cause others to do all shoring of the Properties or any properties adjacent thereto, including the foundations and walls of either thereof, and to take all other actions necessary or appropriate for the preservation and safety thereof by reason of or in connection with any excavation or other construction operation on the Properties or any properties adjacent thereto, whether or not the either Grantor or any adjacent-property owner shall be required by any Legal Requirement to take such action or be liable for failure to do so; (vii) shall not use, generate, store or dispose of any Hazardous Substances on or from any Property, use any Property as a disposal site for any Hazardous Substances or permit any of the foregoing, except for the use and temporary storage on such Property (in compliance in all material respects (subject to Section 2.15) with the Legal Requirements) of petroleum products, gas and other products reasonably appropriate for the use and operation of such Property as a hotel and casino and, in the case of the Lake Tahoe Property, the use of not more than 2,500 square feet of

the garage as a car painting and repair facility; (viii) shall not, without the consent of the Beneficiary, initiate or affirmatively support any change in the applicable zoning materially adversely affecting any Property, seek any variance (or any change in any variance) under the zoning materially adversely affecting any Property, execute or file any subdivision or other plat or map materially adversely affecting any Property or consent to any of the foregoing; (ix) shall, promptly after receiving notice or obtaining knowledge of any proposed or threatened change in the zoning materially adversely affecting any Property which would result in the current use of such Property being a non-conforming use, notify the Beneficiary thereof and diligently contest the same by any action or proceeding deemed appropriate by the Relevant Grantor in its reasonable judgment or reasonably requested by the Beneficiary; (x) shall not amend or otherwise modify any Permitted Property Lien affecting any Property, except (A) as otherwise provided herein with respect to the Ground Leases, the Assigned Leases and the Agreements and (B) for amendments to utility easements which are permitted under Section 2.11(c) and with respect to which the Relevant Grantor complies with the provisions of said Section; and (xi) upon request, shall promptly deliver to the Beneficiary (A) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section and (B) such other information and documents with respect to the matters referred to in this Section as the Beneficiary shall reasonably request.

SECTION 2.08. Alterations. (a) If no Event of Default is continuing, the Relevant Grantor may construct any new Improvement, otherwise Alter or Restore any Property, provided that (i) prior to commencing any Material Alteration, such Grantor shall give notice thereof to the Beneficiary, describing in reasonable detail satisfactory to the Beneficiary the Material Alteration in question, the work required therefor and such Grantor's best estimate of the cost thereof; (ii) any Alteration or Restoration when completed shall not result in a reduction of the value of the Property affected thereby below the value thereof immediately preceding the commencement of such Alteration or Restoration; (iii) any Alteration or Restoration shall be effected with due diligence, in a good and workmanlike manner, in compliance in all material respects (subject to Section 2.15) with all applicable Legal Requirements and Insurance Requirements, all applicable requirements of the Agreements and, in the case of any Leased Parcel, all applicable requirements of the relevant Ground Lease; (iv) any Alteration or Restoration shall be equal in quality to, or better than, the Improve-

ments located on the Property as of the date hereof; (v) prior to commencing any phase of any Alteration or Restoration, such Grantor shall obtain all Permits applicable to such phase and other consents or approvals required therefor and, in the case of any Material Alteration or Material Restoration, deliver Certified copies thereof to the Beneficiary; (vi) such Grantor shall promptly and fully pay the cost of any Alteration or Restoration; (vii) any Alteration or Restoration shall be located entirely on the land portion of the Property affected thereby (including the skyways adjacent to the Reno Property) (provided that the Relevant Grantor may construct a connection between the building on the Lake Tahoe Property and a building on the adjacent property in California owned by such Grantor if (A) such connection may be severed from such adjacent property and removed from the Property without material cost; (B) the business or operations conducted or to be conducted in such building on the adjacent property does not and will not constitute a part of the business or operations conducted on the Lake Tahoe Property; (C) the connection with the buildings on the adjacent property does not in the judgment of the Beneficiary materially adversely affect the value, use or operation of the Lake Tahoe Property; (D) such Grantor shall execute, deliver and record an agreement reasonably satisfactory to the Beneficiary by which such Grantor shall obligate itself and its successors and assigns as owner of the adjacent property to remove the connection at the election of the owner of the Lake Tahoe Property after a foreclosure or deed-in-lieu of foreclosure hereunder; and (E) whether or not otherwise required hereunder, (1) such Grantor shall give reasonable notice to the Beneficiary of such Grantor's intention to construct such Improvements accompanied by the agreement described in clause (D) and a Certificate as to the matters described in clauses (A) through (C) of this proviso; and (2) upon request, such Grantor shall furnish such other information and documents relating to such Improvements as the Beneficiary may reasonably request); (viii) if any Alteration or Restoration encroaches upon any property adjacent to the Property affected thereby or interferes with any right of way or easement affecting such Property, such Grantor shall promptly obtain an agreement reasonably satisfactory to the Beneficiary permitting such encroachment or interference; (ix) upon completion of any Material Alteration or Material Restoration, the Relevant Grantor shall promptly give notice thereof to the Beneficiary, accompanied by (A) a Certificate of such Grantor evidencing such completion, that such Alteration or Restoration complies with the provisions hereof, and that such Grantor has complied in all material respects with its obligations hereunder relating thereto, (B)

a Certified copy of any permanent certificate of occupancy required to permit the use and occupancy thereof, and (C) if requested, in the case of any Alteration or Restoration affecting the exterior dimensions of any Improvement, an as-built survey of the Property in question reasonably satisfactory to the Beneficiary showing the existing Improvements and such Alteration; and (x) upon request, the Relevant Grantor shall promptly furnish to the Beneficiary such other information and documents relating to any Alteration or Restoration and the matters referred to in this Section as the Beneficiary shall reasonably request.

(b) Without limiting the provisions of subsection (a) of this Section, the Grantors shall not commence or construct, or permit the commencement or construction of, any Major Alteration without the consent of the Beneficiary, which consent shall not be unreasonably withheld.

(c) Without limiting the provisions of subsections (a) and (b) of this Section, in connection with any Major Alteration or Major Restoration, (i) any such Alteration or Restoration shall be conducted under the supervision of an architect or engineer; (ii) prior to commencement of any such Alteration or Restoration, the Relevant Grantor shall submit the plans and specifications therefor to the Beneficiary (including a plot plan showing the location thereof on the Land) and obtain the Beneficiary's consent thereto which consent shall not be unreasonably withheld; (iii) apart from change orders which do not materially adversely affect the scope, configuration or location of such Alteration or Restoration, any such Alteration or Restoration shall be constructed substantially in accordance with such plans and specifications consented to by the Beneficiary (The Relevant Grantor shall submit and the Beneficiary shall respond to preliminary or outline plans and specifications, including a plot plan. Upon request made by the Beneficiary when it responds to such Grantor's outline plans and specifications, such Grantor shall submit and the Beneficiary shall respond to detailed plans and specifications. If the Beneficiary fails to respond to any request by such Grantor that the Beneficiary consent to any plans and specifications within 30 days after the Beneficiary receives such request which contains a statement to the effect that failure to respond shall be deemed to be consent, the Beneficiary shall be deemed to have consented to such plans and specifications.); (iv) upon completion of any such Alteration or Restoration, in addition to the documents referred to in subsection (a) of this Section, the Relevant Grantor shall promptly furnish to the Beneficiary (A) Certificates of such Grantor (which may rely



in part on the Certificate of the supervising architect or engineer) and the supervising architect or engineer to the effect that such Alteration or Restoration has been completed substantially in accordance with the applicable plans and specifications and (subject to Section 2.15) with all applicable Legal Requirements and Insurance Requirements, all applicable requirements of the Agreements and, in the case of any Leased Parcel, all applicable requirements of the relevant Ground Lease; (B) a Certificate of the Relevant Grantor to the effect that all contractors, subcontractors, materialmen and other persons who could claim Liens in connection with such Alteration or Restoration have been paid in full or have effectively waived or released their rights to such Liens by passage of time or otherwise or that such Liens are being contested pursuant to Section 2.15; and (C) such other information and documents as the Beneficiary shall reasonably request.

SECTION 2.09. Ground Leases. (a) The Relevant Grantor represents and warrants with respect to each Ground Lease that (i) Exhibit A contains a description of such Ground Lease; (ii) such Grantor has furnished to the Beneficiary a Certified copy of such Ground Lease; (iii) except as described in Exhibit A, such Ground Lease has not been modified or assigned by the tenant or, to the knowledge of such Grantor, the landlord thereunder; (iv) as of the date hereof, such Ground Lease is in full force and effect and, to the knowledge of such Grantor, there is no material default thereunder and there is existing no condition which with the giving of notice or passage of time or both would cause a material default thereunder; and (v) the execution, delivery and performance of this Deed of Trust do not require any consent under, and will not contravene any provision of or cause a default under, such Ground Lease.

(b) With respect to each Ground Lease, the Relevant Grantor (i) shall duly and punctually pay, perform and observe in all material respects (subject to Section 2.15) all of its obligations under such Ground Lease; (ii) shall do all things necessary or appropriate to enforce, preserve and keep unimpaired such Ground Lease, the rights of such Grantor thereunder and the obligations of the landlord thereunder, except (subject to subsection (c) of this Section) for the rejection of such Ground Lease by the landlord thereunder or its trustee pursuant to Section 365 of the Bankruptcy Code; (iii) shall not, without the consent of the Beneficiary, which consent shall not be unreasonably withheld, enter into any agreement or take any other action terminating or otherwise materially modifying such Ground

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Lease, any right of such Grantor thereunder or any obligation of the landlord thereunder; (iv) shall notify the Beneficiary (A) promptly after receipt or contemporaneously when given, as the case may be, of the receipt or giving by such Grantor of any notice of default under such Ground Lease or any notice of the possible or actual termination of such Ground Lease, any right of such Grantor thereunder or any obligation of the landlord thereunder, accompanied by a Certified copy of such notice of default or termination, and the action being taken to remedy such condition; (B) promptly upon learning of any condition which, with or without the giving of notice or the passage of time or both, would constitute a material default under or cause a termination referred to in the preceding clause (A), and the action being taken to remedy such condition; and (C) promptly upon learning of any assignment of the interest of the landlord under such Ground Lease; (v) shall notify the Beneficiary immediately after receipt or contemporaneously when given, as the case may be, of the receipt or giving of any notice relating to the option to purchase or the right of first refusal under any Ground Lease, accompanied by a Certified copy of such notice relating to such option to purchase or right of first refusal; (vi) shall exercise (not later than 60 days prior to the last date on which such Grantor may timely do so) any right or option of such Grantor under any Ground Lease (A) to extend the term of such Ground Lease or (B) to purchase or otherwise acquire the landlord's or any other superior interest in the premises covered thereby, and simultaneously furnish to the Beneficiary a Certified copy of the notice exercising such right or option (and, if an Event of Default is continuing or if such Grantor fails to exercise such right or option at least 60 days prior to the last date on which it may timely do so, the Beneficiary shall have the right, without notice if an Event of Default is continuing or after notice if no Event of Default is continuing, to exercise such right or option in the name and on behalf of such Grantor and at such Grantor's expense or, at the option of the Beneficiary, in its own name and at such Grantor's expense); (notwithstanding the foregoing, subject to the consent of the Beneficiary which shall not be unreasonably withheld, such Grantor shall not be required to exercise the right of first refusal under paragraph 4 of that certain Second Supplement to Lease described in Section 1(B) of Exhibit A, Part II-A, in the event that the proposed sale with respect to which such Grantor has a right of first refusal is not on commercially reasonable terms and conditions); (vii) shall not, without the consent of the Beneficiary, subordinate or consent to the subordination of such Ground Lease to any Lien on the landlord's or any other superior interest in the premises

covered thereby, unless such Grantor is required to do so under such Ground Lease, in which event, such Grantor shall submit the document effecting such subordination or consent to the Beneficiary for its approval, and the Beneficiary shall not unreasonably withhold its approval thereof; (viii) shall promptly deliver to the Beneficiary a counterpart original or Certified copy of (A) any amendment or other modification of such Ground Lease entered into after the date hereof, (B) any notice exercising any right or option to renew or extend any Ground Lease, and (C) any instrument effecting a subordination or consent described in clause (vii) of this subsection; and (ix) upon request, shall promptly deliver to the Beneficiary (A) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section and (B) such other information and documents with respect to the matters referred to in this Section as the Beneficiary shall reasonably request.

(c) The provisions of subsection (b) of this Section shall also apply to the right of the Relevant Grantor to possession under Section 365 of the Bankruptcy Code in the event such Ground Lease is rejected by the landlord thereunder or its trustee pursuant to said Section.

SECTION 2.10. Assigned Leases. (a) The Relevant Grantor represents and warrants that (i) the Assignor has furnished to the Assignee a Certificate describing the Assigned Leases relating to the Property as of the date hereof; (ii) such Grantor has furnished to the Beneficiary Certified copies of such Assigned Leases; (iii) except as described in such Certificate, such Assigned Leases have not been amended or otherwise modified, and have not been assigned by such Grantor or, to the knowledge of such Grantor, any tenant thereunder; (iv) to the knowledge of such Grantor, as of the date hereof, such Assigned Leases are in full force and effect and there is no material default under any of such Assigned Leases and there is existing no condition which with the giving of notice or passage of time or both would cause a material default thereunder; and (v) the execution, delivery and performance of this Deed of Trust do not require any consent under, and will not contravene any provision of or cause a default under, any of such Assigned Leases.

(b) The Relevant Grantor (i) shall not Transfer or grant any Lien upon any Assigned Lease or the Rents thereunder, except under this Deed of Trust; (ii) shall include in each Assigned Lease entered into after the date hereof the subordination provisions set forth in Exhibit G; (iii) shall

not enter into any Assigned Lease which grants to the tenant thereunder any right or option to purchase or otherwise acquire the Property affected thereby or any interest therein; (iv) shall not enter into any Material Assigned Lease without the consent of the Beneficiary, which consent shall not be unreasonably withheld in the case of a bona fide Material Assigned Lease to a tenant other than a Person described in clause (i) of the definition of "Material Assigned Lease"; (v) shall not receive or collect (whether in cash, by promissory note or otherwise) any Rents for a period of more than 15 days before the due date thereof, except for (A) any Security Deposit held by such Grantor as such thereunder and (B) Rents aggregating not more than \$100,000 at any time collected by such Grantor before such due date in the reasonable and good faith exercise of its business judgment; (vi) shall duly and punctually pay, perform and observe in all material respects (subject to Section 2.15) all of its obligations under the Material Assigned Leases; (vii) shall do all things necessary or appropriate to enforce, preserve and keep unimpaired each Material Assigned Lease, the rights of such Grantor thereunder and the obligations of the tenant thereunder, except (subject to the following clause (viii)) for any default by the tenant thereunder; (viii) shall not, without the consent of the Beneficiary, enter into any agreement or take any other action terminating, extending or materially modifying (including consenting to the assignment or subletting of the tenant's interest under) any Assigned Lease, except for (A) a termination, extension or other modification of a Material Assigned Lease, which such Grantor shall not enter into without the consent of the Beneficiary, which consent shall not be unreasonably withheld in the case of a bona fide Material Assigned Lease to a tenant other than a Person described in clause (i) of the definition of "Material Assigned Lease"; (B) a termination, extension or other modification of a Assigned Lease which is not a Material Assigned Lease, which may be made without the consent of the Beneficiary, unless such extension (considering the remaining terms and options) or other modification causes such Assigned Lease to become a Material Assigned Lease, in which case clause (A) of this clause (viii) shall be applicable; and (C) a termination of a Assigned Lease (including a Material Assigned Lease) in the reasonable and good faith exercise of such Grantor's business judgment in connection with bona fide enforcement proceedings against the tenant thereunder upon the occurrence of a material default by the tenant thereunder; (ix) shall notify the Beneficiary (A) promptly after receipt or contemporaneously when given, as the case may be, of the receipt or giving by such Grantor of any notice of default under any Material Assigned Lease or

any notice of the possible or actual termination of any Material Assigned Lease, any right of such Grantor thereunder or any obligation of the tenant thereunder, accompanied by a Certified copy of such notice of default or termination; (B) promptly upon learning of any condition which, with or without the giving of notice or the passage of time or both, would constitute a material default or cause a termination referred to in the preceding clause (A); and (C) promptly upon learning of any assignment or subletting of the interest of the tenant under any Material Assigned Lease; (x) shall promptly deliver to the Beneficiary a counterpart original or Certified copy of (A) any Material Assigned Lease entered into after the date hereof; (B) any agreement entered into after the date hereof terminating, extending or otherwise modifying any Material Assigned Lease or any Assigned Lease which causes such Assigned Lease to become a Material Assigned Lease; and (C) any notice exercising any right or option under any Material Assigned Lease, in each case together with a statement by such Grantor that the Assigned Lease in question is a Material Assigned Lease; and (xi) upon request, shall promptly deliver to the Beneficiary (A) counterpart originals or Certified copies of any Assigned Lease entered into after the date hereof, any agreement entered into after the date hereof terminating, extending or otherwise modifying any Assigned Lease and any notice exercising any right or option under any Assigned Lease not theretofore delivered to the Beneficiary pursuant to clause (x) of this subsection, in each case together with a statement as to whether or not the Assigned Lease in question is a Material Assigned Lease; (B) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section; and (C) such other information and documents with respect to the Assigned Leases and the matters referred to in this Section as the Beneficiary shall reasonably request.

SECTION 2.11. Agreements. (a) The Relevant Grantor represents and warrants that (i) Exhibit E contains descriptions of all Agreements relating to the Properties as of the date hereof; (ii) such Grantor has furnished to the Beneficiary Certified copies of such Agreements; (iii) except as described in Exhibit E, such Agreements have not been amended or otherwise modified, and have not been assigned by such Grantor or, to the knowledge of such Grantor, any other party thereto; (iv) to the knowledge of such Grantor, as of the date hereof, such Agreements are in full force and effect and (subject to Section 2.15) there is no material default under any of such Agreements; and (v) the execution, delivery and performance of this Deed of Trust do not require any



consent under, and will not contravene any provision of or cause a default under, any of such Agreements or Permitted Property Liens.

(b) The Relevant Grantor (i) shall duly and punctually pay, perform and observe in all material respects (subject to Section 2.15) all of its obligations under the Agreements; (ii) shall do all things necessary or appropriate to enforce, preserve and keep unimpaired the rights of such Grantor under each Agreement and the obligations of any other party under each Agreement, except (subject to the following clause (iii)) for any default by any other party thereunder; (iii) subject to subsection (c) of this Section, shall not, without the consent of the Beneficiary, enter into any agreement or take any other action terminating or otherwise materially modifying any right of such Grantor under each Agreement or any obligation of any other party under each Agreement; (iv) shall notify the Beneficiary (A) promptly after receipt or contemporaneously when given, as the case may be, of the receipt or giving by such Grantor of any notice of default under any Agreement or any notice of the possible or actual termination of any right of such Grantor under any Agreement or any obligation of any other party under any Agreement, accompanied by a Certified copy of such notice of default or termination; (B) promptly upon learning of any condition which, with or without the giving of notice or the passage of time or both, would constitute a material default or cause a termination referred to in the preceding clause (A); and (C) promptly upon learning of any assignment of the interest of any other party to any Agreement; (v) subject to subsection (c) of this Section, shall exercise (not later than 60 days prior to the last date on which such Grantor may timely do so) any right or option of such Grantor (A) to extend the term of any right of such Grantor under any Agreement or (B) to purchase or otherwise acquire any estate or interest in the Trust Property pursuant to any Agreement, and simultaneously furnish to the Beneficiary a Certified copy of the notice exercising such right or option (and, if an Event of Default is continuing or if such Grantor fails to exercise such right or option at least 60 days prior to the last date on which it may timely do so, the Beneficiary shall have the right, without notice if an Event of Default is continuing or after notice if no Event of Default is continuing, to exercise such right or option in the name and on behalf of such Grantor and at such Grantor's expense or, at the option of the Beneficiary, in its own name and at such Grantor's expense); (vi) shall promptly deliver to the Beneficiary a counterpart original or Certified copy of (A) any substitute Agreement entered into pursuant to subsection



(c) of this Section (accompanied by the Certificate described in said subsection), (B) any agreement terminating, modifying or amending any Agreement entered into after the date hereof, including any such agreement entered into pursuant to Section 2.07(b)(x) (accompanied by the Certificate described in subsection (c) of this Section), and (C) any notice exercising a right or option described in clause (v) of this subsection; and (vii) upon request, shall promptly deliver to the Beneficiary (A) a Certificate of the Relevant Grantor evidencing that such Grantor has complied with the provisions of this Section and (B) such other information and documents with respect to the Agreements and the matters referred to in this Section as the Beneficiary shall reasonably request.

(c) A termination or modification of an Agreement shall not be deemed to be a violation of clause (ii), (iii) or (v) of subsection (b) of this Section if the Relevant Grantor (i) enters into a substitute Agreement or an agreement modifying an existing Agreement (A) by which the Property obtains services, utilities, access or other rights comparable in all material respects to those under the terminated or modified Agreement on commercially reasonable terms and conditions, (B) which does not materially adversely affect the value, use or operation of such Property and (C) which is made with a Person other than the Parent or a Subsidiary of such Grantor, the Parent or any other Person controlling such Grantor as a Subsidiary, and (ii) Certifies the matters described in clause (i) of this subsection to the Beneficiary. Any such substitute Agreement or agreement modifying an existing Agreement entered into pursuant to this subsection shall thereafter be deemed to be an Agreement hereunder.

SECTION 2.12. Management. (a) The Relevant Grantor represents and warrants that, as of the date hereof, except for the Assigned Leases (i) there are no agreements in existence relating to the operation or management of any part of any Property, except a Breakeven Reimbursement Agreement dated as of April 3, 1987 between Harrah's Club and Holiday relating to the Reno Property and the Tahoe Property as modified by an amendment dated as of February 23, 1988 and an assignment and assumption agreement dated as of February 7, 1990 between Holiday and Embassy; a Subsidiary Reimbursement Agreement dated as of April 3, 1987 between Holiday and Harrah's relating to the Reno Property and the Lake Tahoe Property as modified by an amendment dated as of February 23, 1988 and an assignment and assumption agreement dated as of February 7, 1990 between Holiday and Embassy; a Subsidiary Reimbursement Agreement dated as of April 3, 1987 between

Holiday and Harrah's Club relating to the Reno Property and the Lake Tahoe Property among other things as modified by an amendment dated as of February 23, 1988 and an assignment and assumption agreement dated as of February 7, 1990 between Holiday and Embassy; and a Breakeven Reimbursement Agreement dated as of April 3, 1987 between Holiday Casino and Holiday as amended by an amendment dated as of February 23, 1988 and an assignment and assumption agreement dated as of February 7, 1990 between Holiday and Embassy (the "Subsidiary Agreements"), each of which is subject and subordinate to this Deed of Trust; and (ii) the operation or management of any part of any Property has not been delegated to any Person other than Harrah's Club (with respect to the Casino) and Harrah's (with respect to the hotel), in the case of the Reno Property and the Lake Tahoe Property, and Holiday Casino, in the case of the Las Vegas Property.

(b) If at any time the Relevant Grantor does not hold the Permits required under applicable law, including the Gaming Regulations, for the use and operation of any Property as contemplated hereby, such Grantor shall cause the overall operation and management of such Property to be delegated to the Collateral Grantor named herein which holds such Permits under an agreement (i) with such Collateral Grantor, (ii) which provides for the use and operation of such Property as contemplated hereby upon substantially the same terms, conditions and provisions as the Subsidiary Agreements (or, if the Grantor desires to modify any Subsidiary Agreement, on terms, conditions and provisions as shall be reasonably satisfactory to the Beneficiary, acting at the direction of the Administrative Agent with the consent of the Required Banks), and (iii) which is expressly made subject and subordinate to this Deed of Trust.

(c) Except for the Assigned Leases or as described in subsection (b) above, the Relevant Grantor (i) shall not delegate or permit the delegation of the operation or management of any Property to any Person other than a Collateral Grantor named herein; (ii) shall not terminate or otherwise modify any Subsidiary Agreement without the consent of the Beneficiary, which consent shall not be unreasonably withheld; and (iii) shall not enter into any agreement relating to the operation or management of any part of any Property.

SECTION 2.13. Transfer. (a) In the event any Grantor shall Transfer the Trust Property or any part thereof or any interest therein, except items of equipment or personal property which have been removed as permitted under Section 2.08, such Transfer shall be an Event of Default

under Section 6.01(b) of the Master Facility Agreement, provided that (i) nothing in this Section shall prohibit or restrict the Transfer of the stock or other securities issued by Parent and (ii) nothing in this Section shall prohibit a sale of the Property pursuant to Section 7.02(b)(x)(1) of the Master Collateral Agreement.

(b) The provisions of this Section shall apply to each and every Transfer of the Trust Property or any interest therein, regardless of whether or not the Beneficiary has consented to or waived its right to consent to any prior Transfer thereof.

SECTION 2.14. Liens. (a) The Grantors shall not create or permit to be created or to remain, and shall immediately discharge or cause to be discharged, any Lien on the Trust Property or any interest therein, except Liens being contested pursuant to Section 2.15 and the other Permitted Property Liens, in each case (i) whether voluntarily or involuntarily created, (ii) whether directly or indirectly a Lien thereon and (iii) whether or not subordinate hereto, provided that nothing in this Section shall prohibit any Lien on the stock or other securities issued by any Obligor to the extent not prohibited under the Master Facility Agreement or any other Credit Document.

(b) Nothing herein shall be construed to be a consent by the Beneficiary or the Trustee to any mechanic's, materialman's, supplier's, repairman's or similar Lien on the Trust Property or any interest therein.

SECTION 2.15. Permitted Contests. After prior notice to the Beneficiary, the Grantors may contest, by appropriate proceedings conducted in good faith and with due diligence, any Legal Requirement, any Insurance Requirement, any Imposition or Lien therefor on the Trust Property or any interest therein or any Lien of any laborer, mechanic, materialman, supplier or vendor on the Trust Property or any interest therein or any matter under any Ground Lease or any matter under any Assigned Lease or any matter under any Agreement or Permitted Property Lien, provided that (i) no Event of Default is continuing; (ii) no Trust Property or interest therein is in danger of being sold, forfeited or lost while such proceedings are pending; (iii) the Secured Parties are not in danger of any criminal or material civil penalty or any other liability for failure to comply therewith and no Trust Property or interest therein, is subject to the imposition of any Lien as a result of such failure which is not properly contested pursuant to this Section; (iv) in

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the case of any Insurance Requirement, no Insurance Policy or coverage is in danger of being forfeited or lost while such proceedings are pending; (v) in the case of (A) any Lien of a laborer, mechanic, materialman, supplier or vendor, or (B) any Imposition or Lien therefor, such proceedings suspend the foreclosure of such Lien or any other collection thereof from the Trust Property and all interests therein; and (vi) the Relevant Grantor establishes any reserve or other appropriate provision required with respect to such contest under generally accepted accounting principles. Upon request, the Relevant Grantor shall promptly deliver to the Beneficiary (x) a Certificate of such Grantor describing in detail reasonably satisfactory to the Beneficiary the contests pending as of the date thereof and evidencing that such Grantor has complied with the provisions of this Section with respect thereto and (y) such other information and documents with respect to the contests conducted pursuant to this Section as the Beneficiary shall reasonably request.

SECTION 2.16. Rights of the Administrative Agent. The Administrative Agent shall have the right to exercise directly any right, power, privilege or remedy granted to the Beneficiary under Article II, III or IV.

### ARTICLE III

#### INSURANCE, CASUALTY AND CONDEMNATION

SECTION 3.01. Insurance. (a) Policies. The Grantors shall maintain in full force and effect insurance policies with respect to the Properties satisfactory to the Beneficiary issued by insurance companies which, subject to subsection (b) of this Section, have an A.M. Best General Policyholder's Service rating of not less than "A-VII" (except as agreed in a separate letter agreement dated as of the date hereof between the Collateral Agents and Embassy), which are licensed in the State in which the Properties are located (or, in the case surplus policies approved for surplus lines or not disapproved for surplus lines) and which are otherwise reasonably satisfactory to the Beneficiary. Such policies shall provide the following coverages:

(i) "all risk" property insurance, including sprinkler leakage, flood, earthquake and, when any Major Alteration or Restoration of any Property is in progress, builder's risk insurance on a completed value (non-reporting) form with extended coverage and soft cost expense coverage, in an



amount sufficient to prevent the Grantors from becoming a co-insurer in any loss under the policy, but in no event less with respect to each Property than the full replacement value of such Property (it being understood that such flood and earthquake insurance will be required only to the extent available on a commercially reasonable basis and in amounts not in excess of \$150,000,000 annual aggregate for all of the properties of the Parent and its subsidiaries);

(ii) if any Property is located in an area designated as "flood prone" (as defined in the regulations adopted under the National Flood Program), flood insurance under the National Flood Insurance Program to the extent and in the amount requested under regulations with respect to flood insurance promulgated by the Comptroller of the Currency (12 CFR Ch. I, Part 22, Sections 22.0 - 22.5), the Federal Reserve Board (12 CFR Ch. II, Part 208, Section 208.8(e)), and the Federal Home Loan Bank Board (12 CFR, CH. V, Part 523, Section 523.29) with respect to a loan secured by the Properties in the amount of \$1,019,506,250;

(iii) to the extent not covered under clauses (i) and (ii) of this subsection, difference-in-conditions coverage in an amount reasonably satisfactory to the Beneficiary (including flood and earthquake coverage, but only to the extent available as provided in clauses (i) and (ii) of this subsection);

(iv) rental value insurance in an amount with respect to each Property equal to one year's gross Rents from such Property, with co-insurance in such percentages as may be satisfactory to the Beneficiary;

(v) business interruption insurance on an 80% gross earnings form, with a minimum 12-month indemnity period and excluding ordinary payroll coverage;

(vi) comprehensive general liability insurance (manuscript form permitted) substantially as broad in coverage as the standard Insurance Services Office comprehensive general liability insurance form, in an amount not less than \$300,000,000

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combined single limit for bodily injury and property damage; such insurance shall include premises liability insurance, blanket contractual liability insurance, products liability insurance and personal injury liability insurance; such requirement may be satisfied by layering of (A) self-insurance to the extent permitted under subsection (b) of this Section, (B) insurance from captive insurance companies to the extent permitted under subsection (b) of this Section, and (C) comprehensive general liability, umbrella and excess liability policies reasonably satisfactory to the Beneficiary;

(vii) steam boiler and machinery breakdown direct damage insurance and third-party liability coverage (if not covered under the comprehensive general liability policy), with full comprehensive coverage on a repair and replacement cost basis, for all boilers and machinery located on the Properties, including rental value insurance and business interruption insurance in connection therewith in accordance with clauses (iv) and (v) of this subsection;

(viii) subject to subsection (b) of this Section, worker's compensation and (if applicable in the State in which the Properties are located) employer's liability insurance subject to the statutory limits of the State in which the Properties are located in respect of any work or other operations on, about, or in connection with the Properties; and

(ix) such other insurance with respect to the Properties and in such amounts as the Beneficiary from time to time may require against such other insurable hazards which at the time are commonly insured against in respect of hotel and casino properties located in the State in which the Properties are located.

(b) Blanket Insurance, Etc. The Grantors may effect such coverage under subsection (a) of this Section (i) under a plan of self-insurance (A) for worker's compensation insurance maintained under clause (viii) of subsection (a) of this Section to the extent permitted under applicable law, and (B) for the property and liability insurance maintained under subsection (a) of this Section to the extent of the

first \$2,000,000; (ii) by captive insurance companies controlled by the Parent for the property and liability insurance maintained under subsection (a) of this Section to the extent of the next \$4,000,000; and (iii) under a blanket insurance policy reasonably satisfactory to the Beneficiary, provided that (A) any such policy of blanket insurance shall specify therein, or the insurer under such policy shall certify to the Beneficiary, (1) the maximum amount of the total insurance afforded by the blanket policy allocated to each Property and (2) any sublimits in such blanket policy applicable to each Property, which sublimits shall not be less than the amounts required pursuant to this Section; (B) any such policy of blanket insurance shall comply in all respects with the other provisions of this Section; and (C) the protection afforded under any policy of blanket insurance hereunder shall be no less than that which would have been afforded under separate policies relating only to each Property.

(c) Policies. (i) The insurance maintained under clauses (i), (ii), (iii), (iv), (v), (vii) and (ix) (for property insurance) of subsection (a) of this Section shall (A) bear a standard non-contributory first mortgagee endorsement in favor of the Beneficiary as Collateral Sub-Agent for the Collateral Agents for the benefit of Secured Parties, (B) provide that all property losses insured against shall be adjusted by the Relevant Grantor, subject to the Beneficiary's right to participate in the adjustment of such losses pursuant to Section 3.03 and to the Beneficiary's right to consent to the final settlement of any loss of \$2,500,000 or more as provided in said Section, (C) provide that, in the case of any loss of \$2,500,000 or more, the proceeds thereof shall be paid directly to the Beneficiary pursuant to Section 3.03, and (D) provide that the insurers waive any and all rights to be subrogated to the rights of the Secured Parties under the Collateral Documents.

(ii) The insurance maintained under clauses (vi) and (ix) (for liability insurance) of subsection (a) of this Section shall name the Beneficiary, the Collateral Agents, the Trustee, the Administrative Agent, the Managing Agents and the Banks as additional insureds.

(iii) All insurance maintained by the Grantors hereunder shall provide (A) that no cancellation, material change or reduction thereof shall be effective until at least 30 days after receipt by the Beneficiary of written notice thereof, and (B) that all losses shall be payable notwithstanding (1) any act or negligence of the Grantors or its

agents or employees which might, absent such agreement, result in a forfeiture of all or part of such insurance payment, (2) the occupation or use of the Properties for purposes more hazardous than permitted by the terms of such policy, (3) any foreclosure or the exercise of any other right or remedy under or with respect to this Deed of Trust, or (4) any change in the ownership of the Properties.

(d) Policies or Certificates. The Grantors shall furnish to the Beneficiary from time to time, without notice or demand by the Beneficiary, (i) not later than 10 Business Days prior to the expiration date of each Insurance Policy, an insurance certificate (issued by the insurer or an insurance agent for the insurer authorized to issue such certificate who shall certify its authority) with respect to the new or extended Insurance Policy, together with a Certified copy of a binder evidencing that such insurance is in effect and that Persons required to be named as mortgagee or additional insured are so named; (ii) within 30 days thereafter, a copy of such Insurance Policy, Certified to be a true copy by the insurer or such an agent; and (iii) if requested by the Beneficiary, evidence reasonably satisfactory to the Beneficiary of payment of the premium for such Insurance Policy.

(e) Additional or Separate Insurance. The Grantors shall not maintain additional or separate insurance concurrent in form or contributing in the event of loss with the insurance required under this Section, unless (i) the policies providing such additional or separate insurance are submitted to the Beneficiary for its approval; (ii) the insurers under such policies and the terms thereof are approved by the Beneficiary, which approval shall not be unreasonably withheld; and (iii) the Beneficiary and the other Secured Parties are included in such policies as loss payees or additional insureds in the same manner as provided in subsection (c) of this Section for the insurance required to be maintained hereunder and such policies comply with the other provisions of said subsection. If either Grantor desires to maintain such insurance, not later than 10 Business Days prior to obtaining such additional or separate insurance, such Grantor shall notify the Beneficiary of such Grantor's intention to do so and furnish to the Beneficiary a copy of the proposed policy or policies. In the event that such Grantor maintains any such additional or separate insurance, such Grantor shall furnish to the Beneficiary Certified copies of the policies providing such insurance or certificates of insurance with respect thereto, in the

same manner as provided in subsection (d) of this Section for Insurance Policies required to be maintained hereunder.

(f) Payment of Premiums by the Beneficiary. If either Grantor fails to maintain the Insurance Policies required to be maintained under this Section or fails to deliver evidence thereof to the Beneficiary, the Beneficiary shall have the right to obtain such Insurance Policies and pay the premiums therefor. If the Beneficiary obtains such Insurance Policies or pays the premiums therefor, upon demand, such Grantor shall reimburse the Beneficiary for its expenses in connection therewith, together with interest thereon, pursuant to Section 4.03.

SECTION 3.02. Casualty. (a) The Grantors represent and warrant that, as of the date hereof, there is no Material Casualty affecting any Property.

(b) In the event of any Casualty, the Relevant Grantor shall (i) if such Casualty is a Material Casualty promptly give notice thereof to the Beneficiary, describing in reasonable detail satisfactory to the Beneficiary the nature and extent of such Casualty, the work required to Restore the Property affected thereby and such Grantor's best estimate of the cost of such Restoration itemized in detail reasonably satisfactory to the Beneficiary; and (ii) immediately take such action as may be necessary or appropriate to preserve the undamaged portion of such Property and to protect against personal injury or property damage. In the event of any Casualty, subject in the case of any Leased Property to any contrary requirement of the relevant Ground Lease, whether or not the Insurance Proceeds with respect to such Casualty available to such Grantor to pay the cost of Restoration (except to the extent such Insurance Proceeds are transferred to the Collateral Account pursuant to Section 3.06) are sufficient for that purpose, subject to Unavoidable Delays, promptly commence and diligently pursue to completion the Restoration of such Property.

SECTION 3.03. Insurance Claims and Proceeds. Subject in the case of any Leased Parcel to any contrary requirement of the applicable Ground Lease, in the event of any Casualty, (i) if such Casualty is a Material Casualty, the Relevant Grantor shall promptly make proof of loss under the applicable Insurance Policies and diligently pursue to conclusion its claim for the Insurance Proceeds payable thereunder and any suit, action or other proceeding necessary or appropriate to obtain payment of such Insurance Proceeds,



in each case subject to the provisions of Section 5.11; (ii) if the Insurance Proceeds with respect to any Casualty amount to \$2,500,000 or more or if an Event of Default is continuing, such Grantor shall have no right to settle, and shall not settle, any such claim or proceeding without the consent of the Beneficiary; (iii) if an Event of Default is continuing, the Insurance Proceeds with respect to any Casualty shall be paid to the Beneficiary and deposited in the Collateral Account to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement; (iv) if the Insurance Proceeds with respect to any Casualty amount to less than \$2,500,000 and no Event of Default is continuing, (A) such Grantor shall not have to obtain the consent of the Beneficiary to settle any claim for such Insurance Proceeds and (B) such Insurance Proceeds shall be paid to such Grantor who shall use the same to pay the cost of Restoration of the Property in question; (v) if the Insurance Proceeds with respect to any Casualty amount to \$2,500,000 or more and no Event of Default is continuing, such Insurance Proceeds shall be paid to the Beneficiary and deposited in the Restoration Account, to be applied, disbursed or transferred as provided in Section 3.06; and (vi) if pursuant to clause (iii) or (v) of this Section the Insurance Proceeds are to be paid to the Beneficiary, the Relevant Grantor shall promptly pay the amounts described in clauses (i) through (v) of the definition of "Insurance Proceeds" to the Beneficiary pursuant to said clause (iii) or (v), as the case may be.

SECTION 3.04. Condemnation. (a) The Grantors represent and warrant that, as of the date hereof, (i) there is no Material Condemnation affecting any Property, (ii) there are no negotiations or proceedings which might result in such a Material Condemnation, and (iii) to the knowledge of the Grantors, no Material Condemnation is proposed or threatened.

(b) In the event of any Condemnation or the commencement of any negotiation or proceeding which might result in a Material Condemnation, or in the event of any proposed or threatened Material Condemnation, the Relevant Grantor shall promptly after receiving notice or obtaining knowledge thereof give notice thereof to the Beneficiary, describing in detail reasonably satisfactory to the Beneficiary the nature and extent of such Condemnation, negotiation or proceeding, the action which such Grantor intends to take with respect thereto, the work required to Restore the Property affected by such Condemnation and such Grantor's best estimate of the cost of such Restoration. In the event of any Condemnation,



subject in the case of any Leased Parcel to any contrary requirement of the applicable Ground Lease, whether or not the Awards with respect to such Condemnation available to such Grantor to pay the cost of Restoration (except to the extent such Awards are transferred to the Collateral Account pursuant to Section 3.06) are sufficient for that purpose, subject to Unavoidable Delays, such Grantor shall promptly commence and diligently pursue to completion the Restoration of the Property affected by such Condemnation.

SECTION 3.05. Condemnation Proceedings and Awards.

(a) Subject in the case of any Leased Parcel to any contrary requirement of the applicable Ground Lease, in the event of any Condemnation or the commencement of any negotiation or proceeding which might result in a Material Condemnation, or in the event of any proposed or threatened Material Condemnation, (i) the Relevant Grantor shall, promptly after receiving notice or obtaining knowledge thereof, do all things deemed necessary or appropriate by such Grantor in its reasonable judgment or reasonably requested by the Beneficiary to preserve such Grantor's interest in such Property and, in the event of any Material Condemnation, promptly make claim for the Awards payable with respect thereto and diligently pursue to conclusion such claim for such Awards and any suit, action or other proceeding necessary or appropriate to obtain payment thereof, in each case subject to the provisions of Section 5.11; (ii) such Grantor shall have no right to settle, and shall not settle, any such claim, negotiation or proceeding without the consent of the Beneficiary; (iii) if an Event of Default is continuing, the Awards with respect to such Condemnation shall be paid to the Beneficiary and deposited in the Collateral Account to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement; (iv) if no Event of Default is continuing, the Awards with respect to such Condemnation shall be paid to the Beneficiary and deposited in the Restoration Account to be applied, disbursed or transferred as follows: (A) if such Awards exceed the estimated cost of Restoration of the Property affected by such Condemnation (as reasonably estimated by the Beneficiary, subject to the approval of such Grantor as to the amount of such estimate, which approval shall not be unreasonably withheld or delayed), the excess amount of such Awards over such estimated cost of Restoration (including all of such Awards in the event of a total Condemnation) shall be deposited in the Collateral Account, to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement (subject to the right of such Grantor if no Event of Default is continuing to have such excess funds transferred to the

Restoration Account if such estimate proves to be inadequate to cover the actual cost of Restoration); and (B) the amount of such Awards representing such estimated cost of Restoration shall be deposited in the Restoration Account under Section 3.06 and applied, disbursed or transferred as provided in said Section 3.06.

SECTION 3.06. Restoration Account. (a) On the date on which the Beneficiary receives any Insurance Proceeds or Awards which are required hereunder to be deposited in the Restoration Account (such "Proceeds"), there shall be established and, at all times thereafter until such Proceeds have been applied, disbursed or transferred as provided in this Section, there shall be maintained an account (the "Restoration Account") in which such Proceeds shall be deposited and held by the Beneficiary until applied, disbursed or transferred as provided in this Section. The Restoration Account shall be established and maintained by the Beneficiary at the office of the Administrative Agent. The Restoration Account shall be for the exclusive benefit of the Secured Parties and all right, title and interest in and to the Restoration Account and the Deposits therein shall be subject to the exclusive dominion and control of the Beneficiary, subject to Section 7.01. The Beneficiary shall invest and reinvest the Deposits in the Restoration Account pursuant to the provisions of Section 4.03 of the Master Collateral Agreement (which provisions are incorporated herein by reference and made applicable herein to the Restoration Account, except that the investments shall be selected by such Grantor (as long as no Event of Default is continuing as provided in said Section) subject to the consent of the Beneficiary, which shall not be unreasonably withheld, having due regard for the dates on which Impositions, Insurance Premiums or Ground Rents must be paid and also having due regard for the dates on which disbursements will be made), promptly upon receipt thereof. Except as provided herein, the Deposits in the Restoration Account and the Beneficiary's obligations with respect thereto shall be governed by the Master Collateral Agreement.

(b) If an Event of Default is continuing and the Beneficiary has received a Notice of an Event of Default pursuant to Section 3.04 of the Master Collateral Agreement, the Beneficiary shall have the right (i) to transfer the Deposits in the Restoration Account to the Collateral Account, to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement; or (ii) subject to Section 7.01, to apply the Deposits held in the Restoration Account toward the cure of any Default.

(c) If no Event of Default is continuing, the Relevant Grantor may obtain such Proceeds (together with any income earned thereon) with respect to any Casualty or Condemnation for the payment of the cost of Restoration with respect to such Casualty or Condemnation, subject to the following conditions:

(i) Such Grantor shall furnish to the Beneficiary (A) evidence reasonably satisfactory to the Beneficiary that such Proceeds are sufficient to pay the cost of such Restoration or, if not sufficient therefor, evidence or security reasonably satisfactory to the Beneficiary that sufficient funds will be available; (B) the plans, specifications and Permits required to be furnished pursuant to Section 2.08 prior to commencement of Restoration; and (C) if such Proceeds are Insurance Proceeds, a waiver (unless already contained in the applicable insurance policy) reasonably satisfactory to the Beneficiary by each insurer who paid or will pay such Insurance Proceeds of any and all rights which such insurer may have to be subrogated to the rights of the Secured Parties under the Collateral Documents (and, to the extent this condition is not satisfied, such Insurance Proceeds shall (subject to Section 3.06(b)) be retained in the Restoration Account and not made available for Restoration until this condition is satisfied); and

(ii) Disbursements of such Proceeds for the cost of such Restoration shall be made by the Beneficiary to such Grantor from time to time (not more often than once in any month) after 10 Business Days after receipt by the Beneficiary of (A) a request of such Grantor for such disbursement; (B) a Certificate of such Grantor and any supervising architect or engineer that the portion of the work for which the disbursement is requested is completed and in place in compliance with any approved plans and specifications; (C) a Certificate of such Grantor that the disbursement is needed to pay the cost of such work and that such Proceeds (and, if applicable, other funds available to such Grantor, provided that the Beneficiary may require such Grantor to use such other funds before using such Proceeds) remaining after such disbursement are sufficient to pay all costs of completing such Restoration; (D) waivers of Lien reasonably satisfactory to the the Beneficiary (including waivers conditional upon receipt of payments to which the applicable disbursement is to be applied) covering that part of the work for which the disbursement is requested (except for Liens being contested pursuant to Section 2.15); (E) with respect to the final disbursement of such Proceeds, the documents and other items required pursuant to Section 2.08; and (F) such other Cer-

tificates, information and documents as the Beneficiary may reasonably require, provided that no disbursement shall be made unless the Beneficiary shall be satisfied that the Certificates and other documents furnished with respect thereto are true and correct.

(d) If any of such Proceeds shall remain after the completion and payment of the cost of such Restoration and the application, disbursement or transfer of such Proceeds pursuant to subsection (b) or (c) of this Section, such surplus shall be transferred to the Collateral Account, to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement.

SECTION 3.07. Insurance Proceeds and Awards Under Ground Leases. In the event of any Casualty or Condemnation affecting any Leased Parcel, if the applicable Ground Lease permits the Relevant Grantor to designate a depository for the Insurance Proceeds or Awards with respect to such Casualty or Condemnation, upon request by the Beneficiary, such Grantor shall designate the Beneficiary or another Person designated by the Beneficiary as such depository, if the Beneficiary or such other Person may serve in such capacity under the applicable provision of such Ground Lease.

#### ARTICLE IV

##### ADDITIONAL ADVANCES, EXPENSES AND INDEMNIFICATION

SECTION 4.01. Additional Advances. (a) The Secured Obligations include (i) obligations of Embassy under the Reimbursement Agreement to repay advances by the Administrative Agent for payments made by the Administrative Agent pursuant to the Old Note LC, (ii) obligations of the Borrowers to repay advances of the Revolving Loans made by the Banks from time to time under the Revolving Facility Agreement, and (iii) obligations of the Borrowers to repay advances for payments made by the Administrative Agent or another Issuing Bank pursuant to Revolver LCs issued by the Administrative Agent or such Issuing Bank pursuant to the Revolving Facility Agreement, all of which payments and advances are obligatory, subject to the provisions of the Reimbursement Agreement or the Revolving Facility Agreement, as applicable.

(b) This Deed of Trust secures the maximum principal amount of the Secured Obligations of \$1,019,506,250 outstanding at any time (including the payments and advances



described in clauses (i), (ii) and (iii) of subsection (a) of this Section), plus the other Secured Obligations described in paragraph G of the Recitals, including those Obligations described in Sections 4.02 through 4.05.

SECTION 4.02. Interest After Default. If any Secured Obligation (including, to the extent permitted under applicable law, any interest obligation) shall not be paid when due, such Secured Obligation shall bear interest at the Interest Rate from such due date through the date paid. Such interest shall be part of the Secured Obligations and shall be secured by this Deed of Trust.

SECTION 4.03. Expenses. Upon demand, the Grantors shall reimburse the Beneficiary, the Trustee and any other Secured Party for all expenses, including reasonable attorneys' fees and expenses, paid or incurred by such Secured Party in connection with (i) any Default, (ii) the exercise or enforcement of any right or remedy under or with respect to this Deed of Trust or any other Secured Document, (iii) the execution, delivery, administration or performance of this Deed of Trust or any other Secured Document, or (iv) otherwise incurred with respect to this Deed of Trust or any other Secured Document, together with interest thereon at the Interest Rate from the date paid by such Secured Party through the date repaid to such Secured Party. All such funds advanced in the reasonable exercise of the Beneficiary's, the Trustee's or any other Secured Party's judgment that the same are needed to protect their security are to be deemed obligatory advances hereunder. The obligations of the Grantors under this Section shall be part of the Secured Obligations and shall be secured by this Deed of Trust, provided that the Grantors shall not be liable for the costs and expenses incurred by a Secured Party other than for Beneficiary in connection with any inquiry, investigation, qualification, approval, licensing or finding of suitability by or with the Gaming Authorities in connection herewith, except to the extent such costs and expenses would otherwise be costs and expenses of such Secured Party for which the Grantors would be liable pursuant to Section 11.03 of the Master Facility Agreement.

SECTION 4.04. Indemnification. The Grantors shall indemnify and defend each of the Beneficiary, the Trustee, the other Secured Parties and the stockholders, directors, officers, employees, agents and other representatives of, and partners in, any of the Secured Parties (each an "Indemnified Party") from and against all liabilities, obligations, claims, losses, damages, penalties, suits, actions, proceed-

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ings, judgments, costs and expenses (including reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against any Indemnified Party in connection with the Trust Property, this Deed of Trust or any other Secured Document, except to the extent (but only to the extent) caused by the willful misconduct or gross negligence of such Indemnified Party (each an "Indemnification Obligation"). In the event that any suit, action or proceeding (including any governmental investigation) is brought against any Indemnified Party in connection with any Indemnification Obligation, such Indemnified Party shall promptly notify the Grantors and the Grantors shall promptly retain counsel reasonably satisfactory to such Indemnified Party to represent the Indemnified Parties, the Grantors and any other Persons designated by the Grantors in such suit, action or proceeding and shall pay the fees and expenses of such counsel related to such suit, action or proceeding. In any such suit, action or proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Grantors and such Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such suit, action or proceeding (including any impleaded parties) include both the Grantors and such Indemnified Party and representation of both such parties by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them. It is understood that the Grantors shall not, in connection with any suit, action or proceeding or related suits, actions or proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel for all such Indemnified Parties to be designated by the Administrative Agent), and that all such fees and expenses shall be reimbursed as they are incurred. The Grantors shall not be liable for any settlement of any Indemnification Obligation effected without the Grantors' consent (which will not be unreasonably withheld), but if any Indemnification Obligation is settled with such consent or if there is a final judgment in any suit, action or proceeding with respect to any Indemnification Obligation, the Grantors shall indemnify the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. In the event that any Indemnified Party pays any Indemnification Obligation (including, subject to the provisions of this Section, the reasonable fees and expenses of counsel), upon demand, the Grantors shall reimburse such Indemnified Party for such Indemnification Obligation, together with interest thereon at the Inter-

est Rate from the date paid by such Indemnified Party through the date repaid to such Indemnified Party. The obligations of the Grantors under this Section shall be part of the Secured Obligations, shall be secured by this Deed of Trust and shall survive the release of this Deed of Trust or the foreclosure or transfer in lieu of foreclosure of the Trust Property to the extent that any Indemnification Obligation relates to an act or event which occurred prior to such release, foreclosure or transfer.

SECTION 4.05. Increased Costs. In the event of the enactment after the date hereof of any applicable law deducting from the value of any Property for the purpose of taxation of any Lien thereon or changing in any way the applicable law for the taxation of mortgages, deeds of trust or other Liens or obligations secured thereby, or the manner of collection of such taxes, so as to affect this Deed of Trust, the Secured Obligations, the Beneficiary or any other Secured Party, upon demand by the Beneficiary (subject to Section 7.01), to the extent permitted under applicable law, the Grantors shall pay or reimburse such Secured Party for all taxes, assessments or other charges which such Secured Party is obligated to pay as a result thereof.

## ARTICLE V

### DEFAULTS, REMEDIES AND RIGHTS

SECTION 5.01. Events of Default. (a) The Events of Default are defined and described in Section 6.01 of the Master Facility Agreement a copy of which Section 6.01 is attached hereto as Exhibit I.

(b) All notice and cure periods provided in this Deed of Trust, the Master Collateral Agreement, the Master Facility Agreement and the other Secured Documents shall run concurrently with any notice or cure periods provided under applicable law. Without limiting the foregoing and notwithstanding anything in this Deed of Trust, the Master Collateral Agreement, the Master Facility Agreement or any other Secured Document to the contrary, if a Default is continuing, the Beneficiary or the Trustee shall be entitled to cause a notice of breach and election to sell to be recorded and mailed if any Default occurs and the recording and mailing to Grantors of such notice of breach and election to sell shall constitute notice of such Default under this Deed of Trust, the Master Collateral Agreement, the Master Facility Agreement and the other Secured Documents.

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SECTION 5.02. Remedies. (a) If an Event of Default is continuing and the Beneficiary has received a Notice of an Event of Default pursuant to Section 3.04 of the Master Collateral Agreement, the Beneficiary (subject to Section 7.01) or the Trustee (acting at the direction of the Beneficiary subject to Section 7.02) shall have the right and power to exercise any of the following remedies and rights, subject to mandatory provisions of applicable law (including the Gaming Regulations), to wit:

(i) to institute a proceeding or proceedings or continue a proceeding or proceedings begun pursuant to Section 5.01(b), by advertisement, judicial process or otherwise as provided under applicable law, for the complete or partial foreclosure of this Deed of Trust or the complete or partial sale of the Trust Property under the power of sale hereunder or under any applicable provision of law; or

(ii) to sell the Trust Property, and all estate, right, title, interest, claim and demand of each Grantor and Collateral Grantor therein, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real or personal property, at such time and place and upon such terms as the Beneficiary may deem expedient or as may be required under applicable law, and in the event of a sale hereunder or under any applicable provision of law of less than all of the Trust Property, this Deed of Trust shall continue as a Lien on the remaining Trust Property; or

(iii) to institute a suit, action or proceeding for the specific performance of any of the provisions of the Secured Documents; or

(iv) to apply for the appointment of a Receiver, supervisor, trustee, liquidator, conservator or other custodian (a "Receiver") of the Trust Property, to be appointed as a matter of right and without regard to, or the necessity to disprove, the adequacy of the security for the Secured Obligations or the solvency of either Grantor or any other Obligor, and the Grantors hereby irrevocably waives such necessity and consents to such appointment, and to be vested with the fullest powers permitted under applicable law, including to the extent permitted under applicable law those under clause (v) of this subsection (a); or

(v) to enter upon the Properties, by the Beneficiary, the Trustee or a Receiver (as the case may be as the Person exercising the rights under this clause, provided

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that, if such Person is a Receiver, such Person shall to the extent permitted by applicable law be subject to Section 7.01), and exclude the Grantors and its managers, employees, contractors, agents and other representatives therefrom, without liability for trespass, damages or otherwise, and take possession of all other Trust Property and all books, records and accounts relating thereto, and the Grantors shall surrender possession of the Properties, the other Trust Property and such books, records and accounts to the Person exercising the rights under this clause on demand after the occurrence of any Event of Default; and having and holding the same, the Person exercising the rights under this clause may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its managers, employees, contractors, agents or other representatives, without interference from the Grantors or their managers, employees, contractors, agents and other representatives; and, upon each such entry and from time to time thereafter, at the expense of the Grantors and the Trust Property, without interference by the Grantors or its managers, employees, contractors, agents and other representatives, the Person exercising the rights under this clause may, as such Person deems expedient, (A) insure or reinsure the Properties, (B) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements to the Properties and (C) in such Person's own name or, at the option of such Person, in the Relevant Grantor's name, exercise all rights, powers and privileges of such Grantor with respect to the Trust Property including the right to enter into Leases with respect to any Property, including Leases extending beyond the time of possession by the Person exercising the rights under this clause; and the Person exercising the rights under this clause shall not be liable to account for any action taken hereunder, other than for Rents actually received by such Person, and shall not be liable for any loss sustained by the Grantors resulting from any failure to let the Properties or from any other act or omission of such Person, except to the extent such loss is caused by such Person's own willful misconduct or gross negligence; or

(vi) with or without the entry upon the Properties, in the name of the Beneficiary, the Trustee or a Receiver as the case may be as the Person exercising the rights under this clause (provided that, if such Person is a Receiver, such Person shall to the extent permitted by applicable law be subject to Section 7.01), or, at such Person's option, in the name of the Relevant Grantor, to collect, receive, sue for and recover all Rents and proceeds of or derived from the

Trust Property, and after deducting therefrom all costs, expenses and liabilities of every character incurred by the Person exercising the rights under this clause in collecting the same and in using, operating, managing, preserving and controlling the Trust Property and otherwise in exercising the rights under clause (v) of this subsection (a) or any other rights hereunder, including all amounts necessary to pay the Impositions, the Ground Rents, the Insurance Premiums and other costs, expenses and liabilities relating to the Properties, as well as compensation for the services of such Person and its managers, employees, contractors, agents or other representatives, to apply the remainder as provided in Section 5.06; or

(vii) to take any action with respect to any Trust Property permitted under the Uniform Commercial Code in effect in the State in which such Trust Property is located; or

(viii) to take any other action, or pursue any other remedy or right, as the Beneficiary or the Trustee may have under applicable law, and the Grantors do hereby grant the same to the Beneficiary and the Trustee.

(b) The Grantors acknowledge that part of the Properties are casinos and gaming properties (the "Casinos") subject to the Gaming Regulations and the jurisdiction of the Gaming Authorities and that, under the Gaming Regulations, the operation of the Casinos by a Person other than a "Licensee" (as defined in the Gaming Regulations) is prohibited and will result in the closing of the Casinos, the loss of customers, employees, revenues and good will and the severe diminution in the value of the Properties, all to the economic jeopardy and extreme detriment of the Secured Parties. In order to mitigate such adverse consequences, the Grantors agree that, if an Event of Default is continuing, either before or after seeking the appointment of a Receiver, in addition to any other right or remedy available to the Beneficiary or the Trustee hereunder or under applicable law (but subject to any applicable requirements of the Gaming Regulations), (i) the Beneficiary shall have the right to solicit any Licensee or other Person (including any Secured Party) with the capacity to become a Licensee to purchase, lease and/or operate the Casinos as a Receiver of the Properties, as a supervisor of the Casinos under N.R.S. Chapter 463B (if applicable), as a purchaser of the Properties or the Casinos at any foreclosure sale, or in any other appropriate capacity permitted under the Gaming Regulations; (ii) any such Licensee or other Person and the Beneficiary may, to the

extent permitted under the Gaming Regulations, apply to and appear before the Gaming Authorities and any other appropriate authority for a license to permit such Licensee or other Person to operate the Casinos in any of such capacities and a finding of suitability for the Beneficiary to own the Casinos in any of such circumstances; and (iii) the Grantors shall cooperate fully with any action taken by the Beneficiary and any such Licensee or other Person pursuant to this subsection.

(c) (i) No remedy or right hereunder or under any other Collateral Document shall be exclusive of any other remedy or right, but each remedy or right hereunder or under any other Collateral Document shall be in addition to, and not in limitation of, any other remedy or right hereunder, under any other Collateral Document or now or hereafter existing at law or in equity under applicable law.

(ii) Every remedy or right hereunder, under any other Collateral Document or under applicable law may be exercised concurrently or independently and whenever and as often as deemed appropriate by the Beneficiary.

(d) (i) No failure to exercise or delay in exercising any remedy or right hereunder, under any other Collateral Document or under applicable law shall be construed as a waiver of any Default or other occurrence hereunder or under any other Collateral Document.

(ii) No waiver of, failure to exercise or delay in exercising any remedy or right hereunder, under any other Collateral Document or under applicable law upon any Default or other occurrence hereunder or under any other Collateral Document shall be construed as a waiver of, or otherwise limit the exercise of, such remedy or right upon any other or subsequent Default or other occurrence hereunder or under any other Collateral Document.

(iii) No single or partial exercise of any remedy or right hereunder, under any other Collateral Document or under applicable law upon any Default or other occurrence hereunder or under any other Collateral Document shall preclude, or otherwise limit, the exercise of any other remedy or right hereunder, under any other Collateral Document or under applicable law upon such Default or occurrence or upon any other or subsequent Default or other occurrence hereunder or under any other Collateral Document.

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(iv) The acceptance by any Secured Party of any payment of an amount less than the amount of the Secured Obligation in question shall be deemed to be an acceptance on account only and shall not be construed as a waiver of any Default hereunder or under any other Collateral Document with respect thereto.

(v) The acceptance by any Secured Party of any payment of, or on account of, any Secured Obligation shall not be deemed to be a waiver of any Default or other occurrence hereunder or under any other Collateral Document with respect to any other Secured Obligation.

(e) In the event that the Beneficiary or the Trustee have proceeded to enforce any remedy or right hereunder or with respect hereto by foreclosure, sale, entry or otherwise, it may compromise, discontinue or abandon such proceeding for any reason without notice to the Grantors or any other Person; and, in the event that any such proceeding shall be discontinued, abandoned or determined adversely for any reason, the Relevant Grantor, the Trustee and the Beneficiary shall retain and be restored to their former positions and rights hereunder with respect to the Trust Property, subject to the Lien hereof except to the extent any such adverse determination specifically provides to the contrary.

(f) For the purpose of carrying out any provisions of Section 5.02(a)(v), 5.02(a)(vi), 5.02(b), 5.05, 5.07, 5.10 or 5.11 or any other provision hereunder authorizing the Beneficiary, the Trustee or any other Person to perform any action on behalf of either Grantor, such Grantor hereby irrevocably appoints the Beneficiary, the Trustee or a Receiver appointed pursuant to Section 5.02(a)(iv) or such other Person (as the case may be as the Person appointed under this subsection, provided that, if such Person is a Receiver, such Person shall to the extent permitted by applicable law be subject to Section 7.01) as the attorney-in-fact of such Grantor (with a power to substitute any other Person in its place as such attorney-in-fact) to act in the name of such Grantor or, at the option of the Person appointed to act under this subsection, in such Person's own name, to take the action authorized under Section 5.02(a)(v), 5.02(a)(vi), 5.05, 5.07, 5.10 or 5.11 or such other provision, and to execute, acknowledge and deliver any document in connection therewith or to take any other action incidental thereto, as the Person appointed to act under this subsection shall deem appropriate in its discretion; and such Grantor hereby irrevocably authorizes and directs any other Person to



act upon the foregoing appointment and a Certificate of the Person appointed to act under this subsection that such Person is authorized to act under this subsection.

SECTION 5.03. Waivers by the Grantors. To the extent permitted under applicable law, the Grantors shall not assert, and hereby irrevocably waives, any right or defense the Grantors may have under any statute or rule of law or equity now or hereafter in effect relating to (i) appraisal, valuation, homestead, exemption, extension, moratorium, stay, statute of limitations, redemption, marshalling of the Trust Property or the other assets of the Grantors, sale of the Trust Property in any order or notice of deficiency or intention to accelerate any Secured Obligation; (ii) impairment of any right of subrogation or reimbursement; (iii) any requirement that at any time any action must be taken against any other Person, any portion of the Trust Property or any other asset of the Grantors or any other Person; (iv) any provision barring or limiting the right of the Beneficiary or the Trustee to sell any Trust Property after any other sale of any other Trust Property or any other action against the Grantors or any other Person; (v) any provision barring or limiting the recovery by the Beneficiary or the other Secured Parties of a deficiency after any sale of the Trust Property; or (vi) any other provision of applicable law (including any provision relating to decedents' estates) which might defeat, limit or adversely affect any right or remedy of the Beneficiary, the Trustee or the holders of the Secured Obligations under or with respect to this Deed of Trust or the other Secured Documents.

SECTION 5.04. Jurisdiction and Process. (a) To the extent permitted under applicable law, in any suit, action or proceeding arising out of or relating to this Deed of Trust or any other Secured Document as it relates to any Trust Property, each Grantor (i) irrevocably consents to the jurisdiction of any State or Federal court sitting in the State in which such Trust Property is located and irrevocably waives any defense or objection which it may now or hereafter have to the jurisdiction of such court over, the venue of such court for or the convenience of such court as the forum for any such suit, action or proceeding; and (ii) irrevocably consents to the service of (A) any process in any such suit, action or proceeding, or (B) any notice relating to any sale, or the exercise of any other remedy by the Beneficiary or the Trustee hereunder by mailing a copy of such process or notice by United States registered or certified mail, postage prepaid, return receipt requested to such Grantor at its address specified in or pursuant to Section 7.05, such serv-

ice to be effective when such process or notice is mailed as aforesaid.

(b) Nothing in this Section shall affect the right of the Beneficiary, the Trustee or any other Secured Party to bring any suit, action or proceeding arising out of or relating to this Deed of Trust or any other Secured Document in any court having jurisdiction under the provisions of any other Secured Document or applicable law or to serve any process, notice of sale or other notice in any manner permitted by any other Secured Document or applicable law.

SECTION 5.05. Sales. Except as otherwise provided herein, to the extent permitted under applicable law, including the Gaming Regulations, at the election of the Beneficiary, the following provisions shall apply to any sale of the Trust Property hereunder, whether made pursuant to the power of sale hereunder, any judicial proceeding or any judgment or decree of foreclosure or sale or otherwise:

(a) The Beneficiary, the Trustee or the court officer (as the case may be as the Person conducting any sale, provided that, if such Person is a Receiver, such Person shall to the extent permitted by applicable law be subject to Section 7.01) may conduct any number of sales from time to time. The power of sale hereunder or with respect hereto shall not be exhausted by any sale as to any part or parcel of the Trust Property which is not sold, unless and until the Secured Obligations shall have been paid in full, and shall not be exhausted or impaired by any sale which is not completed or is defective. Any sale may be as a whole or in part or parcels and each Grantor hereby waives its right to direct the order in which the Trust Property or any part or parcel thereof is sold.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, the Person conducting such sale shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring but without warranty all right, title and interest of the Relevant Grantor in and to the Trust Property sold and shall receive the proceeds of such sale and apply the same as provided in Section 5.06. The Relevant Grantor hereby irrevocably appoints the Person conducting such sale as the attorney-in-

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fact of such Grantor (with full power to substitute any other Person in its place as such attorney-in-fact) to act in the name of such Grantor or, at the option of the Person conducting such sale, in such Person's own name, to make without warranty by such Person any conveyance, assignment, transfer or delivery of the Trust Property sold, and to execute, acknowledge and deliver any instrument of conveyance, assignment, transfer or delivery or other document in connection therewith or to take any other action incidental thereto, as the Person conducting such sale shall deem appropriate in its discretion; and such Grantor hereby irrevocably authorizes and directs any other Person to act upon the foregoing appointment and a Certificate of the Person conducting such sale that such Person is authorized to act hereunder. Nevertheless, upon the request of such attorney-in-fact such Grantor shall promptly execute, acknowledge and deliver any documentation which such attorney-in-fact may require for the purpose of ratifying, confirming or effectuating the powers granted hereby or any such conveyance, assignment, transfer or delivery by such attorney-in-fact.

(d) Any statement of fact or other recital made in any instrument referred to in subsection (c) of this Section given by the Person conducting any sale as to the nonpayment of any Secured Obligation, the occurrence of any Event of Default, the amount of the Secured Obligations due and payable, the request to the Beneficiary or the Trustee to sell, the notice of the time, place and terms of sale and of the Trust Property to be sold having been duly given, the refusal, failure or inability of the Trustee to act, the appointment of any substitute or successor Trustee, any other act or thing having been duly done by either Grantor, the Beneficiary, the Trustee or any other Person, shall be taken as conclusive and binding against all other Persons as evidence of the truth of the facts so stated or recited. The Person conducting any sale may appoint or delegate any other Person as agent to perform any act necessary or incident to such sale, including the posting of notices and the conduct of such sale, but in the name and on behalf of the Person conducting such sale.

(e) The receipt of the Person conducting any sale for the purchase money paid at any such sale shall be sufficient discharge therefor to any purchaser of any Trust Property sold, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purpose of this Deed of Trust or the Master

Collateral Agreement or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money or be bound to inquire as to the authorization, necessity, expediency or regularity of such sale.

(f) Any sale shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Grantors in and to the Trust Property sold, and (to the extent permitted under applicable law) shall be a perpetual bar both at law and in equity against the Grantors and any and all Persons claiming such Trust Property or any interest therein by, through or under the Grantors.

(g) At any sale, the Beneficiary or any Secured Party may bid for and acquire the Trust Property sold and, in lieu of paying cash therefor, may make settlement for the purchase price by causing the Secured Parties to credit against the Secured Obligations, including the expenses of the sale and the cost of any enforcement proceeding hereunder, the amount of the bid made therefor to the extent necessary to satisfy such bid.

(h) In the event that either Grantor or any Person claiming by, through or under such Grantor shall transfer or fail to surrender possession of the Trust Property after any sale thereof, then such Grantor or such Person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and unlawful detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(i) Upon any sale, it shall not be necessary for the Person conducting such sale to have any Trust Property being sold present or constructively in its possession.

(j) To the extent permitted under applicable law, in the event that a foreclosure hereunder shall be commenced by the Beneficiary or the Trustee, the Beneficiary may at any time before the sale abandon or cause the Trustee to abandon the sale, and may institute suit for the collection of the Secured Obligations or for the foreclosure of this Deed of Trust; or in the event that the Beneficiary should institute a suit for collection of the Secured Obligations or the foreclosure of this Deed of Trust, the Beneficiary may at any time before the entry of final judgment in said suit dismiss the same and sell or cause the Trustee to sell the Trust



Property in accordance with the provisions of this Deed of Trust.

SECTION 5.06. Proceeds. Except as otherwise provided herein or required under applicable law, including the Gaming Regulations, the proceeds of any sale of the Trust Property hereunder, whether made pursuant to the power of sale hereunder, any judicial proceeding or any judgment or decree of foreclosure or sale or otherwise shall be applied and paid as follows:

(a) First: to the payment of all expenses of such sale, including reasonable compensation for the Trustee, the Beneficiary or the court officer conducting such sale, the cost of title searches and reasonable attorneys' fees and expenses incurred by such Person, together with interest on any such expenses paid by such Person at the Interest Rate from the date paid by such Person through the date repaid to such Person; and

(b) Second: to the Beneficiary for deposit in the Collateral Account, to be held, applied and disbursed in accordance with Section 4.04 of the Master Collateral Agreement.

SECTION 5.07. Assignment of Assigned Leases. (a) The assignments of the Assigned Leases and the Rents under Granting Clauses V and VI are and shall be present, absolute and irrevocable assignments by the Relevant Grantor to the Trustee for the benefit of the Beneficiary and, subject to the license to such Grantor under subsection (b) of this Section, the Trustee, the Beneficiary or a Receiver appointed pursuant to Section 5.02(a)(iv) (as the case may be as the Person exercising the rights under this Section) shall have the absolute, immediate and continuing right, subject to mandatory provisions of applicable law (including the Gaming Regulations), to collect and receive all Rents now or hereafter, including during any period of redemption, accruing with respect to the Properties. At the request of the Beneficiary or such Receiver, the Relevant Grantor shall promptly execute, acknowledge, deliver, record, register and file any additional general assignment of the Assigned Leases or specific assignment of any Assigned Lease which the Beneficiary or such Receiver may require from time to time (all in form and substance satisfactory to the Beneficiary or such Receiver, provided that, if such Person is a Receiver, such Person shall to the extent permitted by applicable law be subject to Section 7.01) to effectuate, complete, perfect, continue or preserve the assignments of the Assigned Leases

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and the Rents under Granting Clauses V and VI. Neither the acceptance hereof nor the exercise of the rights and remedies hereunder nor any other action on the part of the the Trustee, the Beneficiary or any Person exercising the rights of the Trustee or the Beneficiary hereunder shall be construed to be an assumption by the Trustee, the Beneficiary or any such Person or to otherwise make the Trustee, the Beneficiary or such Person liable or responsible for any of the obligations of the Grantors under or with respect to the Assigned Leases or for any Rent, Security Deposit or other amount delivered to the Grantors provided that the Trustee, the Beneficiary or any such Person exercising the rights of the Trustee or the Beneficiary hereunder shall be accountable as provided in subsection (c) of this Section for any Rents, Security Deposits or other amounts actually received by the Trustee, the Beneficiary or such Person, as the case may be. Neither the acceptance hereof nor the exercise of the rights and remedies hereunder nor any other action on the part of the Trustee, the Beneficiary or any Person exercising the rights of the Trustee or the Beneficiary hereunder shall be construed to obligate the Trustee, the Beneficiary or any such Person to take any action under or with respect to the Assigned Leases or with respect to the Property, to incur any expense or perform or discharge any duty or obligation under or with respect to the Assigned Leases or with respect to the Property, to appear in or defend any action or proceeding relating to the Assigned Leases or the Property, to constitute the Beneficiary as a mortgagee or beneficiary in possession (unless the Assignee actually enters and takes possession of the Property), or to be liable in any way for any injury or damage to person or property sustained by any Person in or about the Property.

(b) As long as no Event of Default is continuing, the Relevant Grantor shall have the right under a license granted hereby, subject to subsection (c) of this Section, to collect the Rents upon the due date thereof, but not prior to such due date except to the extent permitted under Section 2.10(b)(v)(A) or (B).

(c) If an Event of Default is continuing and the Beneficiary has received a Notice of an Event of Default pursuant to Section 3.04 of the Master Collateral Agreement, the Beneficiary (subject to Section 7.01) or the Trustee (acting at the direction of the Beneficiary subject to Section 7.02) or a Receiver appointed pursuant to Section 5.02(a)(iv) (as the case may be as the Person exercising the rights under this Section, provided that, if such Person is a Receiver, such Person shall to the extent permitted by

applicable law be subject to Section 7.01) shall have the right to terminate the license granted under subsection (b) of this Section by notice to the Relevant Grantor and exercise the rights and remedies provided under subsection (a) of this Section, under Sections 5.02(a)(v) and (vi) or under applicable law. If an Event of Default is continuing, upon demand by the Person exercising the rights under this Section, the Grantors shall promptly pay to such Person all Security Deposits under the Assigned Leases and all Rents allocable to any period after the occurrence of such Event of Default. Subject to Sections 5.02(a)(v) and (vi) and any applicable requirement of law, any Rents received hereunder by the Person exercising the rights under this Section shall be promptly paid to the Beneficiary, and any Rents received hereunder by the Beneficiary shall be deposited in the Collateral Account, to be held, applied and disbursed as provided in Section 4.04 of the Master Collateral Agreement, provided that, subject to Sections 5.02(a)(v) and (vi) and any applicable requirement of law, any Security Deposits actually received by such Person shall be promptly paid to the Beneficiary, and any Security Deposits actually received by the Beneficiary shall be held, applied and disbursed as provided in the applicable Assigned Leases.

(d) Nothing herein shall be construed to be an assumption by the Person exercising the rights under this Section, or to otherwise make such Person liable for the performance, of any of the obligations of the Grantors under the Assigned Leases, provided that such Person shall be accountable as provided in subsection (c) of this Section for any Rents or Security Deposits actually received by such Person.

SECTION 5.08. Dealing With the Trust Property. The Beneficiary, subject to Section 7.01, shall have the right to release any portion of the Trust Property for such consideration as the Beneficiary may require without, as to the remainder of the Trust Property, in any way impairing or affecting the Lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Secured Obligations shall have been reduced by any actual monetary consideration received for such release and applied to the Secured Obligations, and may accept by assignment, pledge or otherwise any other property in place thereof as the Beneficiary may require without being accountable therefor to any other lienholder.

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SECTION 5.09. Right of Entry. The Beneficiary or the Trustee (as the case may be as the Person exercising the rights under this Section) and the representatives of such Person shall have the right, (i) without prior notice if an Event of Default is continuing, or (ii) after reasonable notice if no Event of Default is continuing, to enter upon the Properties at all reasonable times, as often as such Person may reasonably require, to inspect the Trust Property or, subject to the provisions hereof, to exercise any right, power or remedy of such Person hereunder, provided that no such entry on the Properties (including any entry for the purpose of performing obligations under Section 5.10 or any other purpose) shall be construed to be possession of the Properties by such Person or to constitute such Person as a beneficiary, trustee or mortgagee in possession (unless such Person exercises its right to take possession of the Properties under Section 5.02(a)(v)) or to be a cure of any Default or waiver of any Default or Secured Obligation.

SECTION 5.10. Right to Perform Obligations. (a) If either Grantor or any other Obligor fails to pay or perform any material obligation of such Grantor or any other Collateral Grantor hereunder or under any other Secured Document, then the Beneficiary or the Trustee (as the case may be as the Person exercising the rights under this Section) and the representatives of such Person, subject to Section 7.01, shall have the right, (i) without notice if an Event of Default is continuing, or (ii) after reasonable notice if no Event of Default is continuing, to pay or perform such obligation, provided that no such payment or performance shall be construed to be a cure of any Default or waiver of any Default or Secured Obligation.

(b) Under this Section, a material obligation shall be (i) any obligation under Section 2.02, 2.04, 2.09, 2.13 or Article III, (ii) any obligation involving, individually or in the aggregate with related obligations, any Trust Property or amount in controversy having a value or amounting to \$2,500,000 or more or (iii) if an Event of Default is continuing, any obligation involving any Trust Property or amount in controversy.

SECTION 5.11. Right to Make Claims. (a) In the event that either Grantor hereafter has (i) any material claim or right to make any material claim relating to the Trust Property or the proceeds thereof against any Person, including any claim for Insurance Proceeds, any claim for Awards, any claim against the landlord under any Ground Lease (including any claim for damages in the event of the termina-



tion of such Ground Lease) or any claim against the tenant under any Assigned Lease (excluding any claim for Rents covered by Section 5.07(b), but including any claim for damages in the event of the termination of such Assigned Lease), or (ii) any right to bring any suit, action or other proceeding (including any arbitration proceeding) to enforce any other material right, power or remedy relating to the Trust Property, then (A) such Grantor shall promptly give notice thereof to the Beneficiary, describing in reasonable detail satisfactory to the Beneficiary the claim or right in question and the action which such Grantor intends to take with respect thereto; (B) such Grantor shall promptly do all things commercially reasonable and necessary or appropriate to preserve and enforce such claim or right and shall promptly commence and diligently prosecute to conclusion any suit, action or other proceeding necessary or appropriate to do so; (C) such Grantor shall keep the Beneficiary informed of the status and progress of such claim, right or proceeding and, upon request, shall promptly furnish to the Beneficiary such information and documents relating thereto as the Beneficiary shall reasonably request; (D) such Grantor shall have no right to waive, compromise or settle, and shall not waive, compromise or settle, such claim, right or proceeding without the consent of the Beneficiary, subject to Section 7.01, which consent shall not be unreasonably withheld; (E) if such Grantor fails to commence promptly or to pursue diligently to completion any such claim, right or proceeding, or if an Event of Default is continuing, (1) the Beneficiary shall have the right, (aa) without notice if an Event of Default is continuing, and (bb) after reasonable notice to such Grantor if no Event of Default is continuing, to enforce any such claim or right, to commence or take over any such proceeding, to prosecute any such proceeding to conclusion and to settle any such claim, right or proceeding, in each case (AA) without the consent of such Grantor if an Event of Default is continuing, and (BB) with the consent of such Grantor (which shall not be unreasonably withheld) if no Event of Default is continuing; and (2) such Grantor hereby irrevocably appoints the Beneficiary as the attorney-in-fact of such Grantor (with full power to substitute any other Person in its place as such attorney-in-fact), to act in the name of such Grantor or, at the option of the Beneficiary, in the Beneficiary's own name, to take any action described in the preceding clause (1), and to execute, acknowledge and deliver any document in connection therewith or take any other action incidental thereto as the Beneficiary shall deem appropriate in its discretion; and (3) such Grantor hereby irrevocably authorizes and directs any Person to act upon the foregoing appointment and a Certificate of the Beneficiary

that the Beneficiary is entitled to act under this clause (E); and (F) the proceeds of such claim or right shall be paid to the Beneficiary, to be held, applied and disbursed as provided in this Deed of Trust and the Master Collateral Agreement.

(b) Under this Section, a material claim or right shall be (i) any claim or right involving, individually or in the aggregate with any related claims or rights, any Trust Property or amount in controversy having a value or amounting to \$2,500,000 or more; or (ii) if an Event of Default is continuing, any claim or right involving any Trust Property or amount in controversy.

## ARTICLE VI

### SECURITY AGREEMENT AND FIXTURE FILING

SECTION 6.01. Security Agreement. To the extent that the Trust Property includes personal property or items of personal property which are or are to become fixtures under applicable law, this Deed of Trust shall also be construed as a security agreement under the Uniform Commercial Code applicable in the State in which such Trust Property is located; and, if an Event of Default is continuing, the Trustee and the Beneficiary shall be entitled with respect to such personal property to all remedies available under such Uniform Commercial Code and all other remedies available under applicable law. To the extent that the Trust Property includes items of personal property which are covered by the Security Agreement, the provisions of the Security Agreement shall govern, and, if an Event of Default is continuing, the Beneficiary shall be entitled with respect to such personal property to all remedies available under the Security Agreement and all other remedies available under applicable law. Without limiting the foregoing, any personal property may, at Beneficiary's option, (i) be sold hereunder, (ii) be sold pursuant to the Nevada Uniform Commercial Code, or (iii) be dealt with by the Beneficiary in any other manner permitted under applicable law. The Beneficiary may require the Grantors to assemble the personal property and make it available to the Beneficiary at a place to be designated by the Beneficiary. If an Event of Default is continuing, the Beneficiary shall be the attorney-in-fact of each Grantor with respect to any and all matters pertaining to the personal property with full power and authority to give instructions with respect to the collection and remittance of payments, to endorse checks, to enforce the rights and remedies

of such Grantor and to execute on behalf of such Grantor and in such Grantor's name any instruction, agreement or other writing required therefor. The Beneficiary may, at its option, appoint the Trustee as the agent of Beneficiary for the purpose of disposition of the personal property in accordance with such Uniform Commercial Code, subject to Section 7.01. The Grantors acknowledge and agree that a disposition of the personal property in accordance with the Beneficiary's rights and remedies in respect to the Properties as heretofore provided is a commercially reasonable disposition thereof.

SECTION 6.02. Fixture Filing. To the extent that the Trust Property includes items of personal property which are or are to become fixtures under applicable law, and to the extent permitted under applicable law, the filing of this Deed of Trust in the real estate records of the county in which such Trust Property is located shall also operate from the time of filing as a fixture filing with respect to such Trust Property, and the following information is applicable for the purpose of such fixture filing, to wit:

(a) Name and Address of the debtors:

The Grantors:

The Collateral Grantors:

Embassy Suites, Inc.  
1023 Cherry Road  
Memphis, Tennessee 38117

Harrah's  
300 East Second Street  
Reno, Nevada 89501

Harrah's Laughlin, Inc.  
2900 South Casino Drive  
Laughlin, Nevada 89029

Harrah's Club  
300 East Second Street  
Reno, Nevada 89501

Harrah's Reno Holding  
Company, Inc.  
300 East Second Street  
Reno, Nevada 89501

Holiday Casino, Inc.  
300 East Second Street  
Reno, Nevada 89501

(b) Name and Address of the Secured Parties:

The Beneficiary:

Valley Bank of Nevada  
Corporate Trust Department  
300 South Fourth Street  
Las Vegas, Nevada 89101

(c) This document covers goods or items of personal property which are or are to become fixtures upon the Properties.

(d) The names of the record owners of the Properties on which such fixtures are or are to be located are shown on Exhibit A, Exhibit B, Exhibit C and Exhibit D.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Beneficiary as the Collateral Sub-Agent. (a) The Beneficiary is the Collateral Sub-Agent under the Master Collateral Agreement; and, notwithstanding anything herein to the contrary, the rights, powers, remedies and obligations of the Beneficiary hereunder shall be subject to the provisions of the Master Collateral Agreement which are incorporated herein by reference and made applicable hereto.

(b) Without limiting the generality of subsection (a) of this Section, notwithstanding anything herein to the contrary, but subject to the provisions of the Master Collateral Agreement, if an Event of Default has occurred and is continuing, (i) the Beneficiary shall not exercise or waive the exercise of any of its rights, powers or remedies hereunder or otherwise act or refrain from acting hereunder unless directed to do so by the Administrative Agent pursuant to the Master Collateral Agreement; and (ii) the Beneficiary shall exercise or waive the exercise of any of its rights, powers or remedies hereunder and otherwise act or refrain from acting when and in the manner directed by the Administrative Agent pursuant to the Master Collateral Agreement, provided that any exercise or waiver by the Beneficiary of any of its rights, powers or remedies hereunder or any other act by the Beneficiary hereunder shall be conclusive evidence of the Beneficiary's authority pursuant to the



Master Collateral Agreement against all Persons other than the Administrative Agent, the Managing Agents and the Banks.

SECTION 7.02. Trustee. (a) Each Grantor hereby irrevocably appoints the Trustee to act in that capacity hereunder and the Trustee hereby accepts such appointment. Each Grantor hereby irrevocably ratifies and confirms all acts which the Trustee shall lawfully take in accordance with the provisions hereof.

(b) The Trustee may, at its option, resign as trustee hereunder by notice given to the Beneficiary, and such resignation shall be effective on the earlier to occur of (i) the date which is 30 days after the date on which the Trustee gives such notice to the Beneficiary or (ii) the date on which a successor trustee is appointed by the Beneficiary and accepts such appointment.

(c) The Beneficiary may (subject to Section 7.01), at its option, with or without cause or notice, remove the Trustee, appoint a successor trustee or appoint an additional trustee or trustees (including a separate trustee for each jurisdiction in which the Trust Property is located) hereunder by an instrument in writing executed and acknowledged by the Beneficiary and accepted by such successor or additional trustee and recorded, registered or filed in the real estate records of the jurisdiction in which the Trust Property affected by such instrument is located; and, thereupon, without further act, deed or conveyance, such substitute or additional trustee shall be fully vested with all estate, right, title and interest of its predecessor or co-trustee in, to, under or derived from the Trust Property and all rights, powers, privileges and obligations of such predecessor or co-trustee, with the same effect as if such successor or additional trustee had originally been named as trustee or co-trustee hereunder. The execution, acknowledgement and recording, registration or filing of such an instrument shall be conclusive evidence against the Grantors and all other Persons of the proper removal of the Trustee and substitution or addition of the successor or additional trustee; and, if the Trustee or such successor or additional trustee is a corporation, the execution and acknowledgement by an officer of such corporation shall be conclusive evidence against all other Persons of the due authorization, execution and delivery thereof by such corporation. By accepting its appointment as successor or additional trustee such successor or additional trustee shall be a trustee as of the date of such acceptance as if it were the Trustee on the date hereof.

(d) Notwithstanding anything herein to the contrary, the Trustee shall not exercise or waive the exercise of any of its rights, powers or remedies hereunder or otherwise act or refrain from acting hereunder unless directed to do so by the Beneficiary (subject to Section 7.01), and the Trustee shall exercise or waive the exercise of any of its rights, powers or remedies hereunder and otherwise act or refrain from acting when and in the manner directed by the Beneficiary (subject to Section 7.01), provided that the Trustee (i) shall not be required to follow any direction of the Beneficiary if the Trustee has been advised by counsel that such action would violate applicable law, (ii) shall not be required to expend or risk its own funds or otherwise incur any financial liability in connection with such action if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and (iii) shall be entitled to exercise its rights under subsection (e) of this Section without such direction by the Beneficiary.

(e) The Trustee shall be entitled to receive, and the Grantors shall pay, reasonable compensation to the Trustee for its services rendered hereunder after any Default and reimbursement to the Trustee for its expenses (including reasonable attorneys' fees and expenses) in connection herewith or the exercise of any right, power or remedy hereunder.

(f) The Trustee shall not be liable with respect to any act taken or omitted by it in good faith in accordance with any direction of the Beneficiary. Except for willful misconduct or gross negligence, the Trustee shall not be liable (i) in acting upon any direction, demand, request, notice, statement or other document reasonably believed by it in good faith to be genuine and delivered by the Person empowered to do so, (ii) for any error in judgment or mistake of fact or law in good faith, or (iii) for any action taken or omitted by it in accordance with the provisions of this Deed of Trust. The Trustee shall not be responsible to see to the recording, registration or filing of this Deed of Trust or any financing statement relating hereto in any jurisdiction or for the payment of any fees, charges or taxes in connection therewith. No co-trustee hereunder shall be liable for any act or omission of any other co-trustee.

(g) All monies received by the Trustee hereunder shall be held by the Trustee in trust for the purposes for which such monies are received; and, except as provided

herein or under mandatory provisions of applicable law, shall be immediately paid over to the Beneficiary.

SECTION 7.03. Collateral Grantors. (a) Each Collateral Grantor, by executing and delivering this Deed of Trust (i) does hereby grant, bargain, sell, convey, mortgage, assign, alien, remise, release, transfer, set over, deliver, confirm and warrant to the Trustee and its successors as Trustee hereunder, in trust hereunder, for the benefit of the Beneficiary and its successors as Collateral Agent under the Master Collateral Agreement, upon the provisions of this Deed of Trust with power of sale and right of entry as provided herein, and (to the extent covered by the Nevada Uniform Commercial Code) grant and warrant to the Beneficiary and its successors as Collateral Agent under the Master Collateral Agreement a security interest in any and all estate, right, title and interest of such Collateral Grantor in, to, under or derived from the Trust Property hereunder; (ii) does hereby covenant and agree that any and all estate, right, title and interest of such Collateral Grantor in, to, under or derived from the Trust Property, is hereby made and shall hereafter be and remain subject and subordinate to this Deed of Trust; and (iii) does hereby covenant and agree to be bound by the provisions of this Deed of Trust to the extent that they relate to Trust Property in which such Collateral Grantor holds any estate, right, title or interest.

(b) Embassy does hereby confirm that it acquired both the lessor's and lessee's interests under that Ground Lease Agreement dated as of July 1, 1987, by and between Holiday, as lessor, and Harrah's, as lessee, as disclosed by a Memorandum of Lease dated September 8, 1987, recorded in the Official Records of Douglas County, Nevada, on September 11, 1987 in Book 987, page 1226, as File No. 161938, with the intention that the lessor's and lessee's interests merge and, therefore, that said Ground Lease Agreement has been terminated by such merger.

(c) To the extent that any Ground Lease may not be encumbered by a deed of trust but may be encumbered by a mortgage, this Deed of Trust shall constitute a mortgage with respect thereto and the Relevant Grantor and the relevant Collateral Grantors do hereby grant and mortgage such Ground Lease to the Beneficiary.

SECTION 7.04. Release of Trust Property. The Trust Property shall be released from the Lien of this Deed of Trust in full or in part subject to satisfaction of the conditions, in the manner and at the time provided in Article

VII of the Master Collateral Agreement and, when such release is required under said Article, at the request of Embassy (but subject to Section 7.01 hereof and Article VII of the Master Collateral Agreement) and upon payment by the Relevant Grantor of the fees and expenses of the Beneficiary, the Beneficiary shall execute and deliver to such Grantor such documents as shall be reasonably required to release such Trust Property from the Lien of this Deed of Trust and to reconvey, or cause the Trustee to reconvey, the same to such Grantor without warranty; and, at the request of the Beneficiary (but subject to Section 7.01 hereof and Article VII of the Master Collateral Agreement) and upon payment by such Grantor of the fees and expenses of the Trustee, the Trustee shall reconvey such Trust Property to such Grantor without warranty. Except as specifically provided herein and in any such release and reconveyance, this Deed of Trust and the Lien hereof shall remain in full force and effect.

SECTION 7.05. Notices. (a) All notices, requests and other communications required or permitted to be given under this Deed of Trust shall be in writing (including telegram, telex, telecopy or similar writing) and shall be given to the Grantors, the Beneficiary or the Trustee at its address or telex or telecopy number set forth below:

(i) if to the Grantors:

Embassy Suites, Inc.  
1023 Cherry Road  
Memphis, Tennessee 38117  
Attention: Secretary

Telex: 550708  
Telecopy: 901-762-8735

with a copy to:

Harras's  
300 East Second Street  
Reno, Nevada 89501  
Attention: General Counsel

Telex: N.A.  
Telecopy: 702-788-2604

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(ii) if to the Beneficiary:

Valley Bank of Nevada  
300 South Fourth Street  
Las Vegas, Nevada 89101  
Attention: Ms. Fran Schartz  
Corporate Trust Department

Telex: 9103976972  
Telecopy: 702-654-3089

with a copy to the  
Corporate Collateral Agent at:

Wilmington Trust Company  
Wilmington Trust Center  
Rodney Square North  
Wilmington, Delaware 19890  
Attention: Corporate Trust Administration

Telex: 835437 Answer Back: WILMTRUST  
Telecopy: 302-651-8464

with a copy to the  
Administrative Agent at:

The Sumitomo Bank, Limited, New York Branch  
One World Trade Center  
Suite 9651  
New York, New York 10048  
Attention: Letter of Credit Department

Telex: 125790  
Telecopy: 212-524-0612

(iii) if to the Trustee:

First American Title Company of Nevada  
201 West Liberty  
Reno, Nevada 89504  
Attention: Mr. Gene T. Turk

Telex: N.A.  
Telecopy: 702-786-7820

with a copy to the Beneficiary and the  
Administrative Agent.

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Each notice, request or other communication shall be effective (i) if given as specified in this Section by telex, when such telex is transmitted to the telex number specified in or pursuant to this Section and the appropriate answerback is received, (ii) if given as specified in this Section by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, (iii) if given as specified in this Section by telecopy, when receipt is acknowledged or (iv) if given as specified in this Section by other means, when delivered or rejected at the address specified in or pursuant to this Section. Any party may change its address or telex or telecopy number set forth above by notice to the other parties; provided that notices to the Beneficiary, the Administrative Agent and the Trustee shall not be effective until received.

(b) The Trustee hereby requests that a copy of any Notice of an Event of Default or notice of sale given hereunder or under applicable law be given to the Trustee at its address specified in or pursuant to subsection (a) of this Section.

SECTION 7.06. Modification and Waiver. No provision of this Deed of Trust shall be modified, waived or terminated, and no consent to any departure by the Grantors from any provision of this Deed of Trust shall be effective, unless the same shall be by an instrument in writing, signed by the party against whom such modification, waiver, termination or consent is to be enforced. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.07. Severability. All rights, powers and remedies provided in this Deed of Trust may be exercised only to the extent that the exercise thereof does not violate applicable law, and all the provisions of this Deed of Trust are intended to be subject to all mandatory provisions of applicable law and to be limited to the extent necessary so that they will not render this Deed of Trust illegal, invalid, unenforceable or not entitled to be recorded, registered or filed under applicable law. If any provision of this Deed of Trust or the application thereof to any Person or circumstance shall, to any extent, be illegal, invalid or unenforceable, or cause this Deed of Trust not to be entitled to be recorded, registered or filed, the remaining provisions of this Deed of Trust or the application of such provision to other Persons or circumstances shall not be affected thereby, and each provision of this Deed of Trust

shall be valid and be enforced to the fullest extent permitted under applicable law.

SECTION 7.08. Binding Effect. (a) The provisions of this Deed of Trust shall be binding upon and inure to the benefit of each of the parties hereto, the respective successors and assigns of the Grantors, the Collateral Grantors, the Beneficiary in its capacity as the Collateral Agent and the successors of the Trustee in that capacity, and shall inure to the benefit of the Secured Parties and their respective successors and assigns; and all references herein to the "Grantors", the "Collateral Grantors", the "Beneficiary", the "Trustee" and the "Secured Parties" shall include the respective successors and assigns of such parties.

(b) To the fullest extent permitted under applicable law, the provisions of this Deed of Trust binding upon the Grantors shall be deemed to be covenants which run with the land.

(c) Nothing in this Section shall be construed to permit the Grantors to Transfer or grant a Lien upon the Trust Property contrary to the provisions of Sections 2.13 and 2.14.

SECTION 7.09. Governing Law. This Deed of Trust and the other Secured Documents shall be deemed to be New York contracts and shall be governed by and construed in accordance with the laws of the State of New York (excluding matters of conflict of laws), except that matters of title to the Trust Property and the creation, perfection, priority and (to the extent required) foreclosure of Liens on, and security interests in, any Trust Property and matters relating to the Gaming Regulations shall be governed by and construed in accordance with the laws of the State of Nevada.

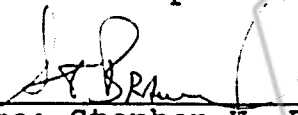
SECTION 7.10. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original with the same effect as if the signatures hereto and thereto were upon the same instrument, and it shall not be necessary in making proof hereof to produce or account for more than one such counterpart.

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IN WITNESS WHEREOF, the undersigned have executed and delivered this Deed of Trust as of the day first set forth above.

Grantors:

EMBASSY SUITES, INC.  
a Delaware corporation

By:   
Name: Stephen H. Brammell  
Title: Assistant Secretary

1023 Cherry Road  
Memphis, Tennessee 38117

HARRAH'S LAUGHLIN, INC.,  
a Nevada corporation

By:   
Name: James E. Butler  
Title: Vice President

2900 South Casino Drive  
Laughlin, Nevada 89029

HARRAH'S RENO HOLDING  
COMPANY, INC.,  
a Nevada corporation

By:   
Name: James E. Butler  
Title: Vice President

300 East Second Street  
Reno, Nevada 89501

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Collateral Grantors:

HARRAH'S,  
a Nevada corporation

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

300 East Second Street  
Reno, Nevada 89501

HARRAH'S CLUB,  
a Nevada corporation

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

300 East Second Street  
Reno, Nevada 89501

HOLIDAY CASINO, INC.,  
a Nevada corporation

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

300 East Second Street  
Reno, Nevada 89501

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Beneficiary:

VALLEY BANK OF NEVADA,  
a Nevada corporation

By: Francine Schartz  
Name: Francine Schartz  
Title: Vice President

300 South Fourth Street  
Las Vegas, Nevada 89101

Trustee:

FIRST AMERICAN TITLE COMPANY  
OF NEVADA,  
a Nevada corporation


By: J. Carmichael Calder  
Name: J. Carmichael Calder  
Title: Vice President

201 West Liberty Street  
Reno, Nevada 89504

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

On February 19, 1990, personally appeared before me, a Notary Public, Stephen H. Brammell, personally known (or proved) to me to be an Assistant Secretary of EMBASSY SUITES, INC., the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

  
\_\_\_\_\_  
Notary Public

KATHLEEN RAY  
Notary Public, State of New York  
No. 01200083  
Qualified in Bronx County  
Certificate filed in New York County  
Commission Expires 3/31/90

COPY

SEAL



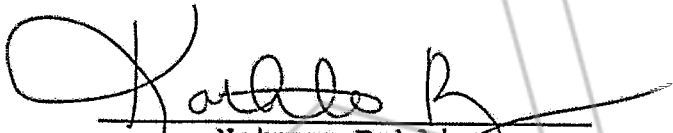




STATE OF NEW YORK )  
                          ) ss.:  
COUNTY OF NEW YORK )

On February 19, 1990, personally appeared before me, a Notary Public, James E. Butler, personally known (or proved) to me to be a Vice President of HARRAH'S, the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

KATHLEEN RAY  
Notary Public, State of New York  
1/10/83  
Qualified in Bronx County  
Certificate Filed in New York County  
Commission Expires 3/31/90

  
\_\_\_\_\_  
Notary Public

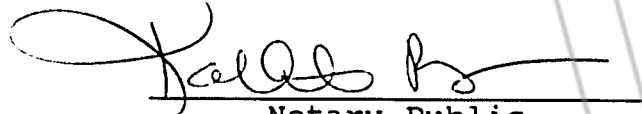
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STATE OF NEW YORK )  
                          ) ss.:  
COUNTY OF NEW YORK )

On February 19, 1990, personally appeared before me, a Notary Public, James E. Butler, personally known (or proved) to me to be a Vice President of HARRAH'S CLUB, the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

  
\_\_\_\_\_  
Notary Public

KATHLEEN RAY  
Notary Public, State of New York  
No. 00000000000000000000  
City of New York, New York County  
Comm. Expires 3/31/90

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**SEAL**

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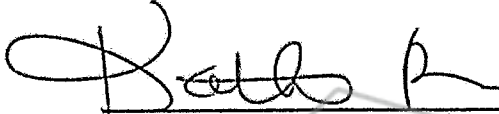




STATE OF NEW YORK )  
                          )  
COUNTY OF NEW YORK )

ss.:

On February 19, 1990, personally appeared before me, a Notary Public, Francine Schartz, personally known (or proved) to me to be a Vice President of VALLEY BANK OF NEVADA, the person whose name is subscribed to the above instrument who acknowledged that she executed the instrument.

  
\_\_\_\_\_  
Notary Public

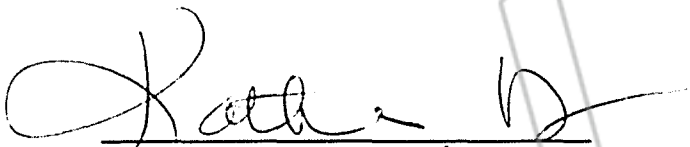
KATHLEEN RAY  
Notary Public, State of New York  
No. 03 2402 AP3  
Qualified in Dutchess County  
Certificate Filed in New York County  
Commission Expires 3/31/92

SEAL

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

On February 19, 1990, personally appeared before me, a Notary Public, J. Carmichael Calder, personally known (or proved) to me to be a Vice President of FIRST AMERICAN TITLE COMPANY OF NEVADA, the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

  
\_\_\_\_\_  
Notary Public

KATHLEEN RAY  
Notary Public, State of New York  
No. 024010333  
Qualified in Bronx County  
Certificate issued in New York County  
Commission Expires 3/31/90

COPY

SEAL

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EXHIBIT A

Description of the Reno Property

Part I - Reno Fee Parcel

All that certain real property situate in the County of Washoe, State of Nevada, bounded and described as follows:

PARCEL 1:

The Northerly 36 feet of Lot 2 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-052-29  
Record Owner: Embassy Suites, Inc.

PARCEL 2:

The South 35 feet of Lot 3 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-052-29  
Record Owner: Embassy Suites, Inc.

PARCEL 3:

Lots 7, 8, 9, 10, 11 and 12 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP Nos.: 011-052-10  
          011-052-11  
          011-052-12  
Record Owner: Embassy Suites, Inc.

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PARCEL 4:

An undivided 1/2 interest in the following described parcel:

Commencing at the Northeast corner of Second Street and Center Street, the same being the Southwest corner of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; thence Northerly along the East line of North Center Street, a distance of 51 feet 3 inches; thence Easterly a distance of 86 feet to a point 52 feet 6 inches North of the North side line of Second Street; thence Easterly parallel with the North side line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; thence Southerly along the West line of said alley to the North side line of Second Street; thence Westerly along the North side line of said Second Street a distance of 140 feet to the point of beginning.

AP No.: 011-071-09

Record Owner: Embassy Suites, Inc.

PARCEL 5:

Portion of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, being more particularly described as follows:

Beginning at a point of the Easterly line of Center Street, 1 foot 3 inches Northerly from the Southwest corner of Lot 2 of said Block Q; thence Easterly 86 feet to a point 52 feet 6 inches Northerly from the North line of Second Street; thence Easterly parallel with the North line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; thence Northerly along the West line of said alley 47 feet 6 inches to the Northeast corner of Lot 2 in said Block Q; thence Westerly along the North line of said Lot 2 a distance of 140 feet to the East line of Center Street; thence Southerly along the East line of Center Street, a distance of 48 feet 9 inches to the point of beginning.

AP No.: 011-071-24

Record Owner: Embassy Suites, Inc.



PARCEL 6:

Lots 4 and 5 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 7:

Lots 8, 9 and 10 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 8:

Lot 7 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

EXCEPTING THEREFROM the North 20 feet of said Lot 7, conveyed to the City of Reno, by Quitclaim Deed recorded September 18, 1979 in Book 1430, page 962, File No. 630152, Official Records.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 9:

Lots 11 through 22, inclusive, in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 10:

That portion of the North-South alley vacated by the City of Reno, by Order of Abandonment, recorded October 29, 1979 in Book 1445, page 215, File No. 638561, Official Records, and

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re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows:

Beginning at the Southeast corner of Lot 1 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; thence along the Easterly ends of the tier of lots to a point in the Easterly end of Lot 4, 180 feet Northerly of said point of beginning; thence Easterly at a right angle 20 feet to a point in the Westerly end of Lot 7, 20 feet Southerly of the Northwest corner thereof; thence along the Westerly ends of the tier of lots, 180 feet to the Southwesterly corner of Lot 10 in said block; thence at a right angle of 20 feet to the point of beginning.

EXCEPTING THEREFROM that portion of the West one-half of said vacated alley which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 11:

That portion of the East-West alley vacated by the City of Reno by Order of Abandonment, recorded October 29, 1979 in Book 1445, page 215, File No. 638561 and re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows:

Beginning at the Southwest corner of Lot 11 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; thence along the Southerly ends of the tier of lots to a point in the Southerly end of Lot 16, 140 feet Easterly of said point of beginning; thence Southerly at a right angle 20 feet to the Northeasterly corner of Lot 5 of said Block; thence along the Northerly line of said Lot 5, 140 feet to the Northwesterly corner of said Lot 5; thence at right angle 20 feet to the point of beginning.

AP No.: 011-071-24  
Record Owner: Embassy Suites, Inc.

PARCEL 12:

Reconveyed by Partial Reconveyance from the Valley Bank of Nevada, a Nevada corporation, to Holiday Inns, Inc., a Tennessee corporation, recorded on November 3, 1989 in Book 2822, page 0704 as File No. 1285169, Official Records, Washoe County, Nevada and such is not encumbered by this Deed of Trust.

PARCEL 13:

Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-11  
Record Owner: Embassy Suites, Inc.

PARCEL 14:

The West one-half of said vacated alley which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-071-23  
Record Owner: Embassy Suites, Inc.

PARCEL 15:

Lots 1 and the South 14 feet of Lot 2 in Block "P" of the ORIGINAL TOWN, NOW CITY OF RENO, NEVADA, according to the official map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

AP No.: 011-052-13  
Record Owner: Embassy Suites, Inc.

Part II-A - Reno Ground Lease

1. (A) Parcel 4 Sublease. A subleasehold estate as to an undivided 1/2 interest in the Parcel described as "Parcel 4" in Part II-B of this Exhibit A under that certain Sublease dated as of February 23, 1988 between Harrah's Reno Holding Company, Inc., a Nevada corporation, as sublandlord, and

Holiday Inns, Inc., a Tennessee corporation, as subtenant, recorded February 25, 1988 as File No. 1228272 in the Washoe County, Nevada Official Records (the "Washoe Official Records"). The interest of Holiday Inns, Inc. as subtenant was assigned to Embassy by document recorded February 7, 1990 as File No. 1379385, in the Washoe County, Nevada Official Records.

The Sublease described in this Section 1.(A) is referred to herein as the "Parcel 4 Sublease".

(B) Parcel 4 Lease. A leasehold estate as to an undivided 3/4 interest in the Parcel described as "PARCEL 4" in Part II-B of this Exhibit A under that certain unrecorded Lease dated November 2, 1960, executed by Charles E. LeClare, acting administrator with will annexed of the estate of Mary Avanzino, deceased, as Lessor, and Center Street Properties Corporation, a Nevada corporation, as Lessee, disclosed by the certain Notice of Lease, recorded in the Washoe County, Nevada Official Records on January 9, 1961 in Book Q, page 11 as File No. 330923, of Leases.

A supplement to said Lease recorded in the Washoe Official Records on May 26, 1970 in Book 465 at Page 454 under File No. 175044.

An assignment of lessee's interest in said Lease was executed by Center Street Properties Corp., a Nevada corporation, to Harrah Realty Co., a Nevada corporation, recorded in the Washoe Official Records on October 25, 1976 in Book 1018, page 235 as File No. 431909.

A second supplement to said Lease dated September 28, 1979, a memorandum of which was recorded in the Washoe Official Records under File No. 1227268.

A third supplement to said Lease dated April 8, 1981, a memorandum of which was recorded in the Washoe Official Records under File No. 1227268.

An instrument recorded in the Washoe Official Records on November 7, 1980 in Book 1566, page 795 as File No. 705224 discloses a renewal of said Lease pursuant to the terms thereof.

The interest of Harrah Realty Co. has been assigned to Harrah's, a Nevada corporation, by an instrument recorded in the Washoe Official Records on August 10, 1982 in Book 1773, page 444 as File No. 809291.

Several instruments in the Washoe Official Records disclose the following: Florence Capurro Clear (Waltz) is also know as Florence Marsh Stults, Lois LeClare Gaiser (Charvo) is also known as Lois L. Haradon, and Charles LeClare is also known as Charles A. LeClare.

An instrument recorded in the Washoe Official Records on August 10, 1982 in Book 1773, page 446 as File No. 809292 executed by Harrah's, a Nevada corporation, accepts and assumes said Lease, upon the terms, provisions and conditions thereof.

By instruments recorded in the Washoe Official Records on April 3, 1987 as File Nos. 1152517, 1152518 and 1152519, all of lessee's interest under said Lease was assigned to Holiday Inns, Inc., a Tennessee Corporation.

Said Lease described in this Section 1 (B) has been further assigned by that certain Assignment of Lease dated as of February 23, 1988 between Holiday Inns, Inc., a Tennessee corporation, as assignor, to Harrah's Reno Holding Company, Inc., a Nevada corporation, as assignee, recorded February 24, 1988 as File No. 1227962 in the Washoe County, Nevada Official Records.

Said Lease and other instruments described in this Section 1 (B) are referred to herein collectively as the "Parcel 4 Lease".

The Parcel 4 Sublease and the Parcel 4 Lease are referred to herein collectively as the "Parcel 4 Ground Leases".

2. Skyway Ground Lease. (A) A leasehold estate in the Parcel described as "PARCEL 16" in Part II-B of this Exhibit A under that certain Lease described as follows:

Dated: September 24, 1979  
Lessor: City of Reno, Nevada, a municipal corporation  
Lessee: Harrah's Club, a Nevada corporation  
Recorded: October 29, 1979 in Book 1445, page 218 as File No. 638562, in Washoe Official Records.  
Amended: By instrument dated September 24, 1979, recorded in the Washoe Official Records on October 29, 1979 in Book 1445, page 240 as File No. 638563; and amended by instrument recorded in the Washoe Official Records on January 21, 1980 in Book 1470, page 21 as File No. 653094 and amended by instrument dated May 5, 1980, recorded in the Washoe Official

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Records on May 6, 1980 in Book 1500, page 804 as File No. 671627; and amended by instrument dated February 22, 1988 and recorded February 24, 1988 as File No. 1227801, Washoe County, Nevada Official Records.

Assigned: By instruments recorded in Washoe Official Records on April 24, 1987 as File Nos. 1157547, 1157548 and 1157549 all of lessee's interest under said Lease was assigned to Holiday Inns, Inc., a Tennessee corporation. By instrument recorded in Washoe County, Nevada Official Records on February 7, 1990 all of lessee's interest was assigned to Embassy.

(B) A leasehold estate in the Parcel described as "PARCEL 17" in Part II-B of this Exhibit A under that certain Lease described as follows:

Dated: September 24, 1979  
Lessor: City of Reno, Nevada, a municipal corporation  
Lessee: Harrah's Club, a Nevada corporation  
Recorded: October 29, 1979 in Book 1445, page 248 as File No. 638565, Official Records.  
Amended: By instrument dated February 22, 1988 and recorded February 24, 1988 as File No. 1227801, Washoe County, Nevada Official Records.  
Assigned: By instruments recorded in Washoe Official Records on April 24, 1987 under File Nos. 1157544, 1157545 and 1157546 all of lessee's interest under said Lease was assigned to Holiday Inns, Inc., a Tennessee corporation. By instrument recorded in Washoe County, Nevada Official Records on February 7, 1990 all of lessee's interest was assigned to Embassy.

(C) A leasehold estate in the Parcel described as "PARCEL 18" in Part II-B of this Exhibit A under that certain Lease described as follows:

Dated: June 11, 1984  
Lessor: City of Reno, Nevada, a municipal corporation  
Lessee: Harrah's Club, a Nevada corporation  
Recorded: September 26, 1984 in Book 2071, page 485 as File No. 952028, Official Records  
Amended: By instrument recorded on February 24, 1988 as File No. 1227801, Washoe County, Nevada Official Records.

An amendment to said Lease was incorporated into said lease above mentioned, together with the rights, if any, created by an agreement by and between HARRAH REALTY and the CITY OF RENO relating to a soffit, extending over Lincoln Alley, subject to the terms, provisions and conditions contained therein, as set forth in an instrument recorded in the Washoe Official Records on October 18, 1973 in Book 771, page 542 as File No. 305285.

Assigned: By instruments recorded in Washoe Official Records on April 24, 1987 under File Nos. 1157550, 1157551 and 1157552, said Lease was assigned to Holiday Inns, Inc., a Tennessee corporation.

By instrument recorded in Washoe County, Nevada Official Records on February 7, 1990 as File No. 1379386 all of lessee's interest was assigned to Embassy.

Said Leases and other instruments described in this Section 2 are referred to herein collectively as the "Skyway Ground Leases".

The Parcel 4 Ground Leases and the Skyway Ground Leases are referred to herein collectively as the "Reno Ground Leases".

3. Subterranean Lease. A subterranean encroachment leasehold interest in the Parcel described as "PARCEL 19" in Part II-B of this Exhibit A under that certain Lease Agreement described as follows:

Dated: September 2, 1979

Lessor: City of Reno, Nevada, a municipal corporation

Lessee: Harrah's Club, a Nevada corporation

Recorded: October 29, 1979, in Book 1445, page 242 as File No. 638564, Official Records.

Assigned: By Assignment of Lease dated March 26, 1987 recorded in Book 2536, page 821 as File No. 1157541 an undivided 11.5% interest of lessee's interest to Harrah's and to Holiday Inns, Inc., as to an undivided 88.5% interest by Assignment of Lease dated March 26, 1987 recorded on April 24, 1987 in Book 2536, page 824 and an Acceptance and Assumption dated March 31, 1987 recorded in Book 2536, page 826 as File No. 1157542, Official Records; further assigned as to an undivided 11.5% interest to Holiday Inns, Inc. by Assignment of Lease dated March 26, 1987, recorded April 24, 1987 in Book 2536, page 827 as File No. 1157543, Official

Records; and as further assigned by Assignment and Assumption of Lease dated as of January 30, 1990 all of Holiday Inns, Inc.'s interest to Embassy Suites, Inc.

Part II-B - Reno Leased Parcel

All that certain real property situate in the County of Washoe, State of Nevada, bounded and described as follows:

PARCEL 4: (Leased and subleased under the Parcel 4 Ground Leases described Section 1 of Part II-A of this Exhibit A.)

Commencing at the Northeast corner of Second Street and Center Street, the same being the Southwest corner of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; thence Northerly along the East line of North Center Street, a distance of 51 minutes 3 seconds ; thence Easterly a distance of 86 feet to a point 52 minutes 6 seconds North of the North side line of Second Street; thence Easterly parallel with the North side line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; thence Southerly along the West line of said alley to the North side line of Second Street; thence Westerly along the North side line of said Second Street a distance of 140 feet to the point of beginning.

AP No.: 011-071-09

Record Owner: Lois L. Haradon, aka Lois LeClare Gaiser (Charvo), and Charles A. LeClare, aka Charles LeClare

PARCEL 16: (Leased under the Skyway Ground Lease described in Section 2(A) of Part II-A of this Exhibit A.)

Airspace rights above a parcel of land situated in Section 11, Township 19 North, Range 19 East, M.D.B.&M., Washoe County, Nevada and being a portion of East Second Street, North Center Street and Lincoln Alley of the ORIGINAL TOWN, NOW CITY OF RENO, NEVADA according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, and more particularly described by metes and bounds as follows:

Beginning at the Southwest corner of Lot 1 of Block Q of said Map of City of Reno; thence North 13 degrees 52 minutes 16 seconds West, along the Westerly line of said Block Q, a distance of 150.00 feet; thence South 76 degrees 05 minutes 44 seconds West, a distance of 73.00 feet; thence North 13 degrees 52 minutes 16 seconds West, a distance of 100.00 feet; thence North 33 degrees 09 minutes 40 seconds West, a distance of 21.19 feet to a point on the Easterly line of Block P of said Map of the City of Reno; thence South 31 degrees 52 minutes 16 seconds East, along the Easterly line of said Block P, a distance of 270.00 feet to the Southeast corner of Lot 12 of said Block P; thence South 76 degrees 05 minutes 44 seconds West, along the Southerly line of said Lot 12, a distance of 140.00 feet to the Southwest corner of said Lot 12; thence North 13 degrees 52 minutes 16 seconds West, along the Westerly line of lots 11 and 12 of said Block P, a distance of 55.00 feet; thence South 76 degrees 07 minutes 44 seconds West, a distance of 8.00 feet; thence South 13 degrees 52 minutes 16 seconds East, a distance of 63.00 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 141.00 feet; thence North 31 degrees 06 minutes 15 seconds East, a distance of 21.22 feet; thence North 13 degrees 52 minutes 16 seconds West, a distance of 93.00 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 64.00 feet; thence South 13 degrees 52 minutes 16 seconds East a distance of 93.00 feet; thence South 58 degrees 53 minutes 19 seconds East, a distance of 21.21 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 53.00 feet; thence North 13 degrees 54 minutes 16 seconds West, a distance of 8.00 feet to a point on the Southerly line of said Block Q; thence South 76 degrees 05 minutes 44 seconds West, along the Southerly line of said Block Q, a distance of 60.00 feet to the Point of Beginning.

AP No.: 011-071-18

Record Owner: City of Reno

PARCEL 17: (Leased under the Skyway Lease described  
Section 2(B) of Part II-A of this Exhibit A.)

Airspace rights above an elevation of 4510.05 and below an elevation of 4574.05 feet as based on the elevation datum of the City of Reno, i.e. City of Reno, B.M., ramset on the sidewalk on the southwesterly corner of Lake Street and East Second Street elevation 4489.36, as published by the City of Reno on January 19, 1977, within a parcel of land situated in Section 11, Township 19 North, Range 19 East, M.D.B.&M., Washoe County, Nevada and being a portion of the East-West alley between North Center Street and Lake Street in Block Q



of the ORIGINAL TOWN, NOW CITY OF RENO, NEVADA, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871 and more particularly described by metes and bounds as follows:

Beginning at the Southeast corner of Lot 22 of said Block Q; thence South 13 degrees 52 minutes 16 seconds East, along the Westerly line of Lake Street, a distance of 10.00 feet; thence South 76 degrees 05 minutes 44 seconds West, a distance of 160.57 feet to a point on the Easterly line of the East-West alley abandoned by Document No. 638561; thence North 13 degrees 52 minutes 16 seconds West, along the Easterly line of the East-West alley abandoned by Document No. 638561, a distance of 10.00 feet to the Southerly line of Lot 16 of said Block Q; thence North 76 degrees 05 minutes 44 seconds East, along the Southerly lines of Lots 16 through 22 of said Block P, a distance of 160.57 feet to the Point of Beginning.

AP No.: 011-071-19  
Record Owner: City of Reno

PARCEL 18: (Leased under the Skyway Lease described in Section 2 (C) of Part II-A of this Exhibit A.)

Airspace rights above a parcel of land situated in Section 11, Township 19 North, Range 19 East, M.D.B.&M., Washoe County, Nevada and being a portion of Lincoln Alley of the ORIGINAL TOWN, NOW CITY OF RENO, NEVADA, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, and more particularly described by metes and bounds as follows:

Beginning at a point on the Westerly line of Lot 8 of Block P of said Map of the City of Reno, from which the Northwest corner of Lot 7 of said Block P bears North 13 degrees 52 minutes 16 seconds West, a distance of 84.00 feet; thence South 76 degrees 07 minutes 44 seconds West, a distance of 5.00 feet; thence South 13 degrees 52 minutes 16 seconds East, a distance of 62 feet; thence North 76 degrees 07 minutes 44 seconds East, a distance of 5.00 feet to a point on the Westerly line of Lot 9 of said Block P; thence North 13 degrees 52 minutes 16 seconds West, along the Westerly lines of said Lots 8 and 9, a distance of 62.00 feet to the Point of Beginning.

AP No.: 011-052-27  
Record Owner: City of Reno

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PARCEL 19:

(Leased under the Subterranean Lease described in Section 3 of Part II-A of this Exhibit A.)

Subterranean encroachment rights under a parcel of land situated in Section 11, Township 19 North, Range 19 East, M.D.B.&M., Washoe County, Nevada, and being a portion of East Second Street, and North Center Street of the ORIGINAL TOWN, NOW CITY OF RENO, NEVADA, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, and more particularly described by metes and bounds as follows:

Beginning at the Southwest corner of Lot 1 in Block Q of said Map of the City of Reno, thence North 13 degrees 52 minutes 16 seconds West, along the Westerly line of said Block Q, a distance of 150.00 feet; thence South 76 degrees 05 minutes 44 seconds West, a distance of 10.00 feet; thence South 13 degrees, 52 minutes, 16 seconds East, a distance of 1.50 feet; thence South 76 degrees 05 minutes 44 seconds West, a distance of 70.00 feet to a point on the Westerly line of said North Center Street; thence South 13 degrees 52 minutes 16 seconds East, along the Westerly line of said North Center Street, a distance of 12.00 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 70.00 feet; thence South 13 degrees 52 minutes 16 seconds East, a distance of 146.50 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 98.17 feet; thence South 13 degrees, 54 minutes, 16 seconds East, a distance of 3.33 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 34.50 feet; thence North 13 degrees 54 minutes 16 seconds West, a distance of 3.33 feet; thence North 76 degrees 05 minutes 44 seconds East, a distance of 37.33 feet; thence North 13 degrees 54 minutes 16 seconds West, a distance of 10.00 feet to the Northerly line of East Second Street; thence South 76 degrees 05 minutes 44 seconds West, a distance of 160.00 feet along the Northerly line of East Second Street, to the Point of Beginning.

AP No.: 011-052-28  
Record Owner: City of Reno

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EXHIBIT B

Description of the Lake Tahoe Property

Lake Tahoe Fee Parcel

All that certain real property situate in the County of Douglas, State of Nevada, bounded and described as follows:

PARCEL 1:

Commencing at the intersection of the Easterly right of way line of U.S. Highway 50 as it now exists and the Nevada-California State line as it now exists; thence Northeasterly along said right of way line, North 28 degrees 02 minutes East, 680.50 feet to the true point of beginning; thence continuing along said right of way line, North 28 degrees 02 minutes East, 147.45 feet to point on the Southerly line of that certain parcel of land as described in the deed to Barney's Incorporated, recorded June 7, 1961, in Book 7, page 117, File No. 18139, Official Records; thence along the Southerly and Easterly lines of said parcel as described in the previously mentioned deed, South 61 degrees 58 minutes East, 150.00 feet and North 28 degrees 02 minutes East, 49.71 feet to a point on the Northerly line of that certain piece or parcel of land described as Parcel 1 in the Deed from Tahoe Plaza Incorporated to Harrah's Club, recorded October 3, 1961, in Book 8, page 752, File No. 18850, Official Records; thence along the Northerly lines of Parcel 1 and Parcel 2 as described in the previously mentioned deed, South 61 degrees 58 minutes East (S. 62 degrees 02 seconds E., Deed), 420.00 feet to the most Northerly corner of that certain piece or parcel of land described as Parcel 1 in the Deed from Park Cattle Company to Harrah's Club, recorded December 28, 1967, in Book 56, page 334, File No. 39715, Official Records; thence Southeasterly along the Easterly lines of Parcel 1 and Parcel 2 as described in the previously mentioned deed, South 32 degrees 55 minutes East 147.97 feet; thence North 61 degrees 58 minutes West, 247.89 feet; thence South 28 degrees 02 minutes West, 87.87 feet; thence North 61 degrees 58 minutes West 260.00 feet; thence North 85 degrees 19 minutes West 95.69 feet; thence North 61 degrees 58 minutes West, 102.73 feet to the true point of beginning.

AP No.: 07-150-05

Record Owner: Embassy Suites, Inc.

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PARCEL 2:

Beginning at the intersection of the Easterly right of way line of U.S. Highway 50 as it now exists and the Nevada-California State line as it now exists, being the true point of beginning; thence Northeasterly along said right of way line of U.S. Highway 50, North 28 degrees 02 minutes East, 680.50 feet; thence leaving Highway 50, South 61 degrees 58 minutes East, 102.73 feet; thence South 85 degrees 19 minutes East, 95.69 feet; thence South 61 degrees 58 minutes East, 260.00 feet; thence North 28 degrees 02 minutes East, 87.87 feet; thence South 61 degrees 58 minutes East, 247.89 feet, more or less, to a point on the existing fence along the Easterly line of that certain parcel of land described as Parcel 2 in the deed from Park Cattle Company to Harrah's Club, recorded December 28, 1967, in Book 56, page 334, File No. 39715, Official Records; thence along said fence line, South 32 degrees 55 minutes East, 194.91 feet, more or less to a found brass capped concrete monument marked RE 933; thence continuing along a fence on the Easterly line of that certain parcel of land described as Parcel 2 in the previously mentioned Deed, South 0 degrees 25 minutes 42 seconds East, 783.03 feet to a point on the North line of the SE 1/4 of the SE 1/4 of Section 27, Township 13 North Range 18 East, M.D.B.&M., said point being marked on the ground by a found brass capped concrete monument marked RE 933; thence Easterly along said line, South 89 degrees 51 minutes 54 seconds East, 279 feet, more or less, to the West line of the proposed relocation of U.S. Highway 50 right of way; thence Southwesterly and Northwesterly along said line of the proposed relocation of U.S. Highway 50, the following courses per Highway bearings and distances: South 45 degrees 26 minutes 04 seconds West 62.60 feet; South 62 degrees 56 minutes 14 seconds West 193.09 feet; South 42 degrees 34 minutes 22 seconds West, 167.96 feet; North 73 degrees 22 minutes 13 seconds West, 88.54 feet; North 59 degrees 10 minutes 02 seconds West, 101.98 feet; thence North 47 degrees 54 minutes 42 seconds West, 388.23 feet, along a curve to the left the tangent of which bears the last described course with a radius of 500.00 feet through a central angle of 20 degrees 36 minutes 41 seconds for an arc distance of 179.87 feet to a point on the Nevada-California State line as it now exists; thence Westerly along the Nevada-California State line to the point of its intersection with the Easterly line of U.S. Highway 50 as it now exists, to the true point of beginning.

EXCEPTING THEREFROM that portion of said land deeded to Douglas County, a political subdivision of the State of Nevada, by Deed recorded January 29, 1979, in Book 179, page 1642, File No. 29467, Official Records.

AP No.: 07-150-06

07-150-07

07-150-08

Record Owner: Embassy Suites, Inc.

PARCEL 3:

A parcel of land situated in the Southeast 1/4 of Section 27, Township 13 North, Range 18 East, M.D.B.&M., Douglas County State of Nevada and more particularly described as follows:

Commencing at the intersection of the Easterly right of way line of U.S. Highway 50 as it now exists and the Nevada-California State Line as it now exists, from which the Stateline monument on the South shore of Lake Tahoe bears North 47 degrees 52 minutes 13 seconds West, a distance of 2827.56 feet, and a GLO Brass Cap at the East 1/4 corner of said Section 27 bears North 68 degrees 16 minutes 13 seconds East, a distance of 1945.13; thence North 28 degrees 48 minutes 16 seconds East, along the Easterly line of U.S. Highway 50, a distance of 827.95 feet to the Southwest corner of that parcel of land described in the deed to Barney's Incorporated, recorded June 7, 1961, in Book 7, page 117, File No. 18139, Official Records; and the TRUE POINT OF BEGINNING; thence North 28 degrees 48 minutes 16 seconds East, along the Easterly line of U.S. Highway 50, a distance of 49.71 feet to the Northwest corner of said Barney's Parcel; thence South 61 degrees 11 minutes 44 seconds East, a distance of 150.00 feet to the Northeast corner of said Barney's Parcel and an angle point in the Northerly line of Parcel 1 in the Deed from Tahoe Plaza Incorporated to Harrah's Club, recorded October 3, 1961, in Book 8, page 752, File No. 18850, Official Records; thence South 28 degrees 48 minutes 16 seconds West, a distance of 49.71 feet; thence North 61 degrees 11 minutes 44 seconds, a distance of 150.00 feet to the TRUE POINT OF BEGINNING.

AP No.: 07-150-01

Record Owner: Embassy Suites, Inc.

EXHIBIT C

Description of the Las Vegas Property

Las Vegas Fee Parcel

All that real property situate in the County of Clark, State of Nevada, bounded and described as follows:

PARCEL I:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the intersection of the North line of said Southwest quarter of the Southwest quarter of said Section 16 with the center line of U.S. Highway No. 91 (original alignment 80 feet wide); thence East along the North line of the Southwest quarter of the Southwest quarter of said Section 16 a distance of 340 feet to a point; thence South and parallel to the West line of said Section 16 a distance of 150 feet to a point; thence West and parallel to the North line of the Southwest quarter of the Southwest quarter of said Section 16, a distance of 340 feet more or less to a point on the center line of said U.S. Highway No. 91; thence North along the center line of said U.S. Highway No. 91, a distance of 150 feet more or less to the point of beginning.

Excepting therefrom all State and County roads and highways.

AP No.: 140250001

Record Owner: Embassy Suites, Inc.

PARCEL II:

A portion of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of the said Southwest quarter of Section 16; thence South 88 degrees 41 minutes 45 seconds East along the North line of the said Southwest quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960 feet, with a radial bearing South 81 degrees 31 minutes 31 seconds

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East, said curve being the Easterly right-of-way line of U.S. Highway 91, the true point of beginning; thence Northerly along the last mentioned curve thru a central angle of 01 degree 52 minutes 15 seconds an arc distance of 129.30 feet to a point whose radial bears South 79 degrees 39 minutes 16 seconds East;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 252.18 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 69.33 feet to a point;

thence South 86 degrees 41 minutes 45 seconds East, a distance of 52.50 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 18.50 feet to a point;

thence South 86 degrees 41 minutes 45 seconds East, a distance of 14.00 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 24 feet to a point;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 40.00 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 60.17 feet to a point;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 522.37 feet to a point;

thence South 01 degree 18 minutes 45 seconds West, a distance of 300.00 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 899.23 feet to the true point of beginning.

AP No.: 140260035

Record Owner: Embassy Suites, Inc.

Also the following described Parcel A, B, and C:

PARCEL A:

A portion of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest quarter of the Southwest quarter of the said Southwest quarter of Section 16;

thence South 88 degrees 41 minutes 45 seconds East along the North line of the said Southwest quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960 feet, with a radial bearing South 81 degrees 31 minutes 31 seconds East, said curve being the Easterly right-of-way line of U.S. Highway 91;

thence Northerly along the last mentioned curve thru a central angle of 01 degree 52 minutes 15 seconds, an arc distance of 129.30 feet, whose radial bears South 79 degrees 39 minutes 16 seconds East;

thence continuing along the last mentioned curve thru a central angle of 02 degrees 31 minutes 47 seconds, an arc distance of 174.84 feet to a point whose radial bears South 77 degrees 07 minutes 29 seconds East;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 327.40 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 40.00 feet to a point; said point being the true point of beginning;

thence North 01 degree 18 minutes 15 seconds East, a distance of 36.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 0.50 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 0.50 feet to a point; thence North 01 degree 18 minutes 15 seconds East, a distance of 24.00 feet to the true point of beginning.

AP No.: 140260035

Record Owner: Embassy Suites, Inc.

PARCEL B:

A portion of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of the said Southwest Quarter of Section 16; thence South 88 degrees 41 minutes 45 seconds East along the North line of the said Southwest quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960 feet, with a radial bearing South 81 degrees 31 minutes 31 seconds East, said curve being the Easterly right-of-way line of U.S. Highway 91;

thence Northerly along the last mentioned curve thru a central angle of 01 degree 52 minutes 15 seconds, an arc distance of 129.30 feet, whose radial bears South 79 degrees 39 minutes 16 seconds East;

thence continuing along the last mentioned curve thru a central angle of 02 degrees 31 minutes 47 seconds, an arc distance of 174.84 feet to a point whose radial bears South 77 degrees 07 minutes 29 seconds East;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 327.40 feet to a point; thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 40.00 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 24.00 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 14.00 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 2.00 feet to the true point of beginning; thence continuing South 01 degree 18 minutes 15 seconds West, a distance of 16.73 feet to a point;

thence North 89 degrees 00 minutes 16 seconds West, a distance of 5.75 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 16.73 feet to a point;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 5.75 feet to the true point of beginning.

AP No.: 140260035

Record Owner: Embassy Suites, Inc.

PARCEL C:

A portion of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of the said Southwest quarter of Section 16;

thence South 88 degrees 41 minutes 45 seconds East along the North line of the said Southwest quarter of the Southwest quarter of Section 16, a distance of 182.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960 feet, with a radial bearing South 81 degrees 31 minutes 31 seconds East, said curve being the Easterly right-of-way line of U.S. Highway 91;

thence Northerly along the last mentioned curve thru a central angle of 01 degree 52 minutes 15 seconds, an arc distance of 129.30 feet, whose radial bears South 79 degrees 39 minutes 16 seconds East;

thence continuing along the last mentioned curve thru a central angle of 02 degrees 31 minutes 47 seconds, an arc distance of 173.83 feet to a point whose radial bears South 77 degrees 07 minutes 29 seconds East; thence South 88 degrees 41 minutes 45 seconds East, a distance of 327.40 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 40.00 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 24.00 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 14.00 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 18.50 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 52.50 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 2.50 feet to the true point of beginning;

thence continuing South 01 degree 18 minutes 15 seconds West, a distance of 66.83 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 2.54 feet to a point;

thence North 00 degrees 59 minutes 44 seconds East, a distance of 66.83 feet to a point;

thence South 89 degrees 00 minutes 16 seconds East, a distance of 2.90 feet to the true point of beginning.

AP No.: 140260035

Record Owner: Embassy Suites, Inc.

Except any portion thereof lying within Parcels III or IV, being more particularly described herein.

PARCEL III:

A portion of the southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of the said Southwest quarter of Section 16;

thence South 88 degrees 41 minutes 45 seconds East along the North line of said Southwest quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of



3,960 feet, with a radial bearing South 81 degrees 31 minutes 31 seconds East, said curve being the Easterly right of way line of U.S. Highway 91;

thence Northerly along the last mentioned curve through a central angle of 01 degree 52 minutes 15 seconds an arc distance of 129.30 feet to the true point of beginning, whose radial bears South 79 degrees 39 minutes 16 seconds East;

thence continuing along the last mentioned curve through a central angle of 02 degrees 31 minutes 47 seconds an arc distance of 174.84 feet to a point whose radial bears South 77 degrees 07 minutes 29 seconds East;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 327.40 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 40.50 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 26.00 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 19.25 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 18.73 feet to a point;

thence North 89 degrees 00 minutes 16 seconds West, a distance of 49.61 feet to a point;

thence South 00 degrees 59 minutes 44 seconds West, a distance of 66.83 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 249.64 feet to the true point of beginning.

AP No.: 140260033

Record Owner: Embassy Suites, Inc.

Except any portion lying within Parcel IV, more particularly described herein.

PARCEL IV:

Being a portion of the Southwest quarter of Section 16, township 21 South, Range 61 East, M.D.M., described as follows:

Commencing at the Northwest corner of the Southwest quarter of the said Southwest quarter of Section 16; thence South 88 degrees 41 minutes 45 seconds East along the North line of said Southwest quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960.00 feet, with a radial bearing of South 81 degrees 31 minutes 31 seconds East, said curve being the easterly right-of-way line of U.S. Highway 91;

thence northerly along the last mentioned curve through a central angle of 04 degrees 24 minutes 02 seconds an arc distance of 304.14 feet to a point whose radial bearing is South 77 degrees 07 minutes 29 seconds East;

thence South 88 degrees 41 minutes 45 seconds East, 314.274 feet to the point of beginning; thence continuing South 88 degrees 41 minutes 45 seconds East, 62.38 feet;

thence North 01 degree 08 minutes 36 seconds East, 110.65 feet;

thence North 88 degrees 51 minutes 24 seconds West, 62.38 feet;

thence South 01 degree 08 minutes 36 seconds West, 110.47 feet to the point of beginning.

ALSO

A portion of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of the Southwest quarter of Section 16;

thence South 88 degrees 41 minutes 45 seconds East along the North line of said southwest Quarter of the Southwest quarter of Section 16, a distance of 183.59 feet to a non-radial point on a curve concave Southeasterly having a radius of 3,960 feet with a radial bearing South 81 degrees 31 minutes

31 seconds East, said curve being the Easterly right-of-way line of U.S. Highway 91;

thence Northerly along the last mentioned curve through a central angle of 04 degrees 24 minutes 02 seconds an arc distance of 304.14 feet to a point whose radial bears south 77 degrees 07 minutes 29 seconds East; thence South 88 degrees 41 minutes 45 seconds East, a distance of 314.274 feet to the point beginning;

thence continuing South 88 degrees 41 minutes 45 seconds East, a distance of 13.13 feet to a point;

thence South 01 degree 18 minutes 15 seconds West, a distance of 60.17 feet to a point;

thence North 88 degrees 41 minutes 45 seconds West, a distance of 40.50 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 36.17 feet to a point;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 27.37 feet to a point;

thence North 01 degree 18 minutes 15 seconds East, a distance of 24.00 feet to the point of beginning.

AP No.: 140260035

Record Owner: Embassy Suites, Inc.

PARCEL V:

Those portions of the North half of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., described as follows:

SUB-PARCEL I:

Beginning at the intersection of the south line of the Sands Hotel property with the East right-of-way line of U.S. Highway No. 91 (102 feet in width) as shown on survey map on record in the Registered Professional Engineers File 8, page 36, in the Office of the County Recorder, County of Clark, State of Nevada, said point being marked by a concrete monument with bronze cap and tag re 305;

thence from a tangent whose bearing is North 14 degrees 21 minutes 22 seconds East, turning to the right along the East

right-of-way curve of U.S. Highway No. 91, having a radius of 3,962 feet, through a central angle of 0 degrees 58 minutes 03 seconds an arc length of 66.90 feet to the Southwest corner of Travelodge Motel Parcel, said corner being marked by an iron pipe with a tag R.L.S. No. 807;

thence South 88 degrees 51 minutes 24 seconds East, 500.00 feet to the Southeast corner of said Travelodge Motel Parcel, said corner being marked by Nail and Shiner tagged R.E. No. 1349;

thence continuing South 88 degrees 51 minutes 26 seconds East 17.60 feet;

thence South 01 degree 08 minutes 36 seconds West 65.00 feet to a point of intersection with the aforesaid South line of the Sands Hotel property;

thence North 88 degrees 51 minutes 24 seconds West along said South line 533.25 feet to the point of beginning.

Excepting therefrom the existing private roadway, being designated as Parcel I-A and described by metes and bounds as follows:

Beginning at the Northwest corner of the above-described parcel of land, said corner being marked by an iron pipe with tag bearing R.L.S. #807;

thence South 88 degrees 51 minutes 24 seconds East along the North line of said parcel 517.60 feet to the Northeast corner thereof;

thence South 1 degree 08 minutes 36 seconds West along the East line of said parcel 39.78 feet;

thence North 43 degrees 51 minutes 24 seconds West 11.00 feet;

thence North 88 degrees 51 minutes 24 seconds West along a line parallel with and distant 32 feet (measured at right angles) from the North line of the above-described parcel of land 484.87 feet;

thence South 63 degrees 53 minutes 15 seconds West 42.0 feet to a point of intersection with the East right-of-way line of U.S. Highway No. 91;

thence from a tangent whose bearing is North 14 degrees 33 minutes 38 seconds East turning to the right along the East right-of-way curve of said highway, concave to the Southeast and having a radius of 3,962 feet, through a central angle of 0 degrees 45 minutes 46 seconds an arc length of 52.75 feet to the point of beginning.

AP No.:140260031

Record Owner: Embassy Suites, Inc.

SUB-PARCEL II:

Beginning at the Southwest corner of Sub-Parcel I, being marked by a bronze cap and tag R.E. No. 305, as described above;

thence South 88 degrees 51 minutes 24 seconds East along the South line of the Sands Hotel property 533.25 feet to the Southeast corner of the above-described sub-parcel I;

thence South 1 degree 08 minutes 36 seconds West 97.50 feet to a point in the North line of that certain parcel of land conveyed to Holiday Inns, Inc., as described in the amended grant, bargain and sale deed recorded as Document No. 43717 on August 14, 1970 in the Office of the County Recorder, County of Clark, State of Nevada;

thence North 88 degrees 51 minutes 24 seconds West along said North line and the North line of the Holiday Queen Land Corporation parcel (Holiday Casino) a distance of 554.85 feet to a point of intersection with the East right-of-way line of U.S. Highway No. 91;

thence from a tangent which bears North 12 degrees 54 minutes 43 seconds East turning to the right along the right-of-way curve having a radius of 3,962 feet, through a central angle of 1 degree 26 minutes 39.2 seconds, an arc distance of 99.87 feet to the point of beginning.

AP No.: 140260031

Record Owner: Embassy Suites, Inc.

SUB-PARCEL III:

An easement for egress and ingress over and across the existing private roadway hereinabove-described and referred to as Parcel I-A.



AP No.: 140260031

Record Owner: Embassy Suites, Inc.

Excepting therefrom, any portion lying within the above-described Parcel IV.

PARCEL VI:

That portion of the Northwest quarter of the Southwest quarter of Section 16, Township 21 South, Range 61 East, M.D.M., described as follows:

Commencing at the center quarter corner of said Section 16, as designated on survey map on record in the Registered Professional Engineers File 6, page 88, in the Office of the County Recorder, County of Clark, State of Nevada;

thence South 0 degrees 40 minutes 25 seconds East along the quarter section line 1333.08 feet;

thence North 88 degrees 41 minutes 45 seconds West along the South one-sixteenth (S 1/16th) line of said Section 16, a distance of 1347.28 feet to the Southwest one-sixteenth (1/16th) corner of said Section 16, said corner also being the Northwest corner of Flamingo Estates subdivision, the true point of beginning;

thence continuing North 88 degrees 41 minutes 45 seconds West 264.43 feet to the Southeast corner of that certain parcel of land conveyed to Holiday Inns, Inc., by deed recorded August 14, 1970 as Document No. 043717 in said County Official Records;

thence North 01 degree 18 minutes 15 seconds East along the East line of said parcel, 300.00 feet;

thence South 88 degrees 41 minutes 45 seconds East, a distance of 252.64 feet to a point;

thence South 0 degrees 56 minutes 38 seconds East, a distance of 300.24 feet to the true point of beginning.

AP No.: 140260026

Record Owner: Embassy Suites, Inc.

PARCEL VII:

That portion of the Northwest quarter of the Southwest quarter of Section 16, Township 21 South, Range 61 East M.D.M., described as follows:

Commencing at the center quarter corner of said Section 16, as designated on survey map on record in the Registered Professional Engineers file 6, page 88, in the Office of the County Recorder, County of Clark, State of Nevada;

thence South 0 degrees 40 minutes 25 seconds East along the quarter section line 1333.08 feet;

thence North 88 degrees 41 minutes 45 seconds West along the South one-sixteenth (S 1/16) line of said Section 16, a distance of 1347.28 feet to the Southwest one-sixteenth (1/16) corner of said Section 16, said corner also being the Northwest corner of Flamingo Estates subdivision and the true point of beginning;

thence continuing North 88 degrees 41 minutes 45 seconds West 264.43 feet to the Southeast corner of that certain parcel of land conveyed to Holiday Inns, Inc., by deed recorded August 14, 1970 as Document No. 043717 in said County Official Records;

thence North 1 degree 18 minutes 15 seconds East along the East line of said parcel 300.00 feet to the Northeast corner thereof;

thence North 88 degrees 41 minutes 45 seconds West 296.46 feet to the Southeast corner of that certain parcel of land described as Parcel II in the deed to River Boat Casino, Inc., recorded as Document No. 706135 in said County Official Records;

thence North 01 degree 18 minutes 15 seconds East along the East line of the last parcel 97.50 feet;

thence South 88 degrees 41 minutes 45 seconds East along the South line of Sands Hotel property 545.28 feet;

thence South 0 degrees 56 minutes 38 seconds East along the West one-sixteenth (W 1/16) line 397.81 feet to the true point of beginning.

Excepting therefrom any portion lying within the above-described Parcel VI.

AP No.: 140260025

Record Owner: Embassy Suites, Inc.

COPY

PERIMETER DESCRIPTION:

The above Parcels I, II, III, IV, V, VI and VII are described in their perimeter as follows:

That portion of the Southwest Quarter (SW1/4) of Section 16, T. 21 S., R. 61 E., M.D.M., Clark County, Nevada, described as follows:

COMMENCING at the Northwest Corner (NW Cor) of the Southwest Quarter (SW1/4) of said Southwest Quarter (SW1/4); thence S.88 degrees 41 minutes 45 seconds E., along the North line thereof, 183.59 feet to a point on a curve concave Southeasterly and having a radius of 3960.00 feet, a radial line to said point bears N.81 degrees 52 minutes 02 seconds W., said point being the TRUE POINT OF BEGINNING; thence Northeasterly along said curve, through a central angle of 06 degrees 02 minutes 34 seconds, an arc distance of 417.64 feet to a point, a radial line to said point bears N. 75 degrees 49 minutes 28 seconds W.; thence N.63 degrees 34 minutes 23 seconds E., 41.91 feet; thence S.89 degrees 10 minutes 16 seconds E., 484.87 feet; thence S.44 degrees 10 minutes 16 seconds E., 11.00 feet; thence S.00 degrees 49 minutes 44 seconds W., 25.22 feet; thence S.89 degree 10 minutes 16 seconds E., 546.35 feet; thence S.00 degrees 57 minutes 58 seconds E., 406.73 feet to a point on the North line of the aforementioned Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4); thence N.88 degrees 41 minutes 45 seconds W., along said North line, 864.00 feet; thence S.01 degrees 13 minutes 57 seconds E., 150.00 feet; thence N.88 degrees 41 minutes 45 seconds W., 321.56 feet to a point on a curve concave Southeasterly and having a radius of 3960.00 feet, a radial line to said point bears N.84 degrees 02 minutes 47 seconds W.; thence Northeasterly along said curve, through a central angle of 02 degrees 10 minutes 45 seconds, an arc distance of 150.62 feet to the TRUE POINT OF BEGINNING.

Containing 11.8424 acres, (net) more or less.

BASIS OF BEARINGS

N.88 degrees 41 minutes 45 seconds W., being the South line of the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) of Section 16, T. 21 S., R. 61 E., M.D.M., as shown on Record of Survey map File 6, Page 88 in the Office of the County Recorder, Clark County, Nevada.

AP Nos.: 140250001  
140260035  
140260033  
140260031  
140260026  
140260025

Record Owner: Embassy Suites, Inc.

PARCEL VIII:

That portion of the Southwest quarter (SW 1/4) of Section 16, Township 21 South, Range 61 East, M.D.B. & M., according to the official plat of said land on file in the Office of the Bureau of Land Management, Clark County, Nevada, and being more particularly described as follows:

Parcel One (1), as shown by map thereof on file in File 57, of Parcel Maps, Page 51, in the Office of the County Recorder of Clark County, Nevada.

AP No.: 140260041  
Record Owner: Embassy Suites, Inc.



EXHIBIT D

Description of the Laughlin Property

Laughlin Fee Parcel

All that real property situate in the County of Clark, State of Nevada, bounded and described as follows:

Parcel 1:

Commencing at the West Quarter (W 1/4) of said Section 24; thence South 00 degrees 19 minutes 32 seconds East., along the West line of said Section 24, a distance of 252.76 feet to the true point of beginning; thence North 89 degrees 26 minutes 48 seconds East., 1156.24 feet to a point; thence North 149.767 feet to a point, said point being on the centerline of a 60 foot wide utility and roadway easement; thence along said centerline the following courses; said point also being the beginning of a curve concave to the Northwest having a radius of 80.00 feet; thence Easterly along said curve and curving to the left through a central angle of 32 degrees 15 minutes 00 seconds an arc distance of 45.03 feet to a point of tangency; thence North 57 degrees 45 minutes 00 seconds East., 144.62 feet to a point of tangency with a curve concave Southerly, having a radius of 200.00 feet; thence Easterly and curving to the right along said curve through a central angle of 66 degrees 08 minutes 13 seconds an arc distance of 230.86 feet to a point; thence South 56 degrees 06 minutes 47 seconds East., 51.67 feet to a point of tangency with a curve concave to the Northeast having a radius of 80.00 feet; thence Easterly and curving to the left along said curve through a central angle of 33 degrees 53 minutes 13 seconds, an arc distance of 47.37 feet; thence North 89 degrees 38 minutes 33 seconds East, 5.40 feet to the end of said centerline; thence South 53.00 feet; thence East, 160.00 feet, more or less, to a point on the High Ordinary Water Mark on the Westerly bank of the Colorado River; thence Southerly and meandering along said High Ordinary Water Mark the following courses; South 15 degrees 31 minutes 12 seconds West., 547.1 feet; thence South 07 degrees 05 minutes 37 seconds East., 226.7 feet; thence South 08 degrees 19 minutes 53 seconds East., 152.3 feet; thence departing aforementioned High Ordinary Water Mark South 80 degrees 00 minutes 00 seconds West., 920.0 feet, more or less; thence South 89 degrees 26 minutes 48 seconds West.,

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1149.59 feet; thence North 00 degrees 19 minutes 32 seconds West., 1171.27 feet to the true point of beginning.

Further described as Lot Two (2) and a portion of Lot Three (3) as shown upon that certain parcel map filed in File 48 of Parcel Maps, page 2.

Excepting therefrom the following described land as conveyed to Clark County by deeds recorded July 28, 1987 in Book 870728 of Official Records, as Document No. 00686 and recorded July 29, 1987 in Book 870729 of Official Records, as Document No. 00865, Clark County, Nevada Records.

That portion of the Southwest Quarter (SW 1/4) of fractional Section 24, Township 32 South, Range 66 East, M.D.M., Clark County, Nevada described as follows:

Commencing at the Northwest corner (NW Cor.) of the Southwest Quarter (SW 1/4) of said fractional Section; thence South 00 degrees 19 minutes 32 seconds East, along the West line thereof, 252.76 feet; thence North 89 degrees 26 minutes 48 seconds East, 604.66 feet to the true point of beginning, said point being a point on curve concave Southeasterly and having a radius of 460.00 feet, a radial line to said point bears North 48 degrees 31 minutes 28 seconds West; thence continuing North 89 degrees 26 minutes 48 seconds East, 6.92 feet to point on a curve concave Southeasterly and having a radius of 460.00 feet, a radial line to said point bears North 46 degrees 51 minutes 53 seconds West; thence Southwesterly along said curve, through a central angle of 31 degrees 19 minutes 53 seconds, an arc distance of 251.54 feet to a point of tangency; thence North 11 degrees 48 minutes 15 seconds East, 10.00 feet to a point of tangency with a curve concave Southeasterly and having a radius of 460.00 feet; thence Northeasterly along said curve, through a central angle of 29 degrees 40 minutes 17 seconds, an arc distance of 238.22 feet to the true point of beginning.

Together with that certain parcel of land conveyed by Clark County by deed recorded September 28, 1987 in Book 870928 of Official Records, as Document No. 00961, Clark County, Nevada Records, described as follows:

That portion of the Southwest Quarter (SW 1/4) of fractional Section 24, Township 32 South, Range 66 East, M.D.M., Clark County, Nevada, described as follows:

Commencing at the Northwest Corner (NW Cor.) of said Southwest Quarter (SW 1/4); thence South 00 degrees 19 minutes 32

seconds East, along the West line thereof, 253.76 feet, thence North 89 degrees 26 minutes 48 seconds East, 502.79 feet to the true point of beginning, said point also being a point on a curve concave Southeasterly and having a radius of 540.00 feet, a radial line to said point bears North 55 degrees 46 minutes 51 seconds West; thence continuing North 89 degrees 26 minutes 48 seconds East, 4.80 feet to a point on a curve concave Southeasterly and having a radius of 540.00 feet, a radial line to said point bears North 54 degrees 30 minutes 33 seconds West; thence Southwesterly along said curve, through a central angle of 23 degrees 41 minutes 12 seconds, an arc distance of 223.24 feet to a point of tangency; thence North 11 degrees 48 minutes 15 seconds East, 10.00 feet to a point of tangency with a curve concave Southeasterly and having a radius of 540.00 feet; thence Northeasterly along said curve, through a central angle of 22 degrees 24 minutes 54 seconds, an arc distance of 211.26 feet to the true point of beginning.

EXHIBIT E

Agreements

I. Agreements Affecting the Lake Tahoe Property

None.

II. Agreements Affecting the Reno Property

1. Indenture dated October 27, 1892 between the Town of Reno and the Reno Real Estate and Investment Company recorded November 15, 1892 in Book 16 at Page 392 of the Deed Records of Washoe County relating to the party wall rights along the North line of the Reno Property.

2. Agreement dated October 12, 1973 between Harrah Realty Company and the City of Reno recorded on October 18, 1973 in Book 771 at Page 542 under File No. 305285 of the Official Records, as assigned as to an undivided 88.5% interest to Holiday Inns, Inc. pursuant to an Assignment of Lease dated March 26, 1987 and recorded April 24, 1987 in Book 2536 at Page 854 under File No. 1157550 of the Official Records and an Acceptance and Assumption by Holiday Inns, Inc., dated March 31, 1987 and recorded on April 24, 1987 in Book 2536 at Page 858 under File No. 1157550 of the Official Records and assigned as to an undivided 11.5% interest to Harrah's pursuant to an Assignment of Lease dated March 26, 1987 and recorded on April 24, 1987 in Book No. 2536 at Page 857 under File No. 1157551 of the Official Records and an Acceptance and Assumption by Harrah's dated March 26, 1987 and recorded on April 24, 1987 in Book 2536 at Page 859 under File No. 1157551 of the Official Records; and assigned as to an 11.5% interest by Harrah's to Holiday Inns, Inc. by Assignment of Lease dated April 24, 1987 in Book 2536 at Page 860 under File No. 1157552 of the Official Records.

3. Revocable Encroachment Permit dated August 13, 1979 from the City of Reno to Harrah's Club.

4. Subterranean Permit dated as of September 24, 1979 from the City of Reno to Harrah's Club.

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5. Letter Agreement dated October 7, 1986 between Harrah's Club and KSRN Corporation.

6. Agreement entered into among Holiday Inns, Inc., Fitzgerald's Reno, Inc. and Nevada Club, Inc., dated as of January 31, 1990, concerning the abandonment of Lincoln Alley and a portion of Douglas Alley. The interest of Holiday Inns, Inc. was assigned to Embassy Suites, Inc. pursuant to an Assignment and Assumption of Leases and Contracts dated as of February 7, 1990.

### III. Agreements Affecting the Las Vegas Property

1. Grant of Easement dated as of January 7, 1981 from Hughes Properties, Inc. to Holiday Inns, Inc. recorded April 21, 1981 in Book 1388 of the Official Records of Clark County as Document No. 1347424, as amended by Amendment to Grant of Easement dated July 8, 1986 between Hughes Properties, Inc. and Holiday Inns, Inc. recorded July 15, 1986 in Book 860715 of Official Records of Clark County as Document No. 00811.

2. Grant of Easement dated as of January 7, 1981 from Hughes Properties, Inc. to River Boat Casino, Inc. d/b/a Holiday Casino, recorded April 21, 1981 in Book 1388 of Official Records of Clark County as Document No. 1347426, as amended by Amendment to Grant of Easement dated July 8, 1986 between Hughes Properties, Inc. and Holiday Inns, Inc. recorded July 15, 1986 in Book 860715 of Official Records of Clark County as Document No. 00811.

3. Encroachment Agreement dated as of July 8, 1986 between Hughes Properties and Holiday Casino, Inc., recorded July 15, 1986 in Book 860715 of Official Records of Clark County as Document No. 00812.

### IV. Agreements Affecting the Laughlin Property

1. Grant of Easement dated June 14, 1983 between River Resorts, Inc. and Desert River, Inc., recorded June 15, 1983 in Book 1751 of Official Records of Clark County as Document No. 1710689.

2. Traffic Control Improvements Cost Participation Agreement dated as of September 29, 1987 by and between Harrah's Laughlin, Inc. and Clark County, Nevada, recorded October 20, 1987 in Book 871020 of Official Records of Clark County as Document No. 00889.



3. Traffic Control Improvements Cost Participation Agreement dated as of October 19, 1989 between Harrah's Laughlin, Inc. and Clark County, Nevada, recorded November 14, 1989 in Book 891114 of Official Records of Clark County as Document No. 00893.

COPY

EXHIBIT F

Permitted Property Liens

1. The Lien of this Deed of Trust.
2. The Ground Leases.
3. The Assigned Leases permitted under Section 2.10(b).
4. The Liens being contested as permitted under Section 2.15.
5. The exceptions described (a) in items 8, 10, 14, 15, 16 and 17 on Schedule B to that certain title insurance policy number 153008 issued contemporaneously herewith issued with respect to the Reno Property by First American Title Insurance Company to the Beneficiary; (b) in items 2, 5, 6, 7, 8 and 10 on Schedule B to that certain title insurance policy number 153007 issued contemporaneously herewith issued with respect to the Lake Tahoe Property by First American Title Insurance Company to the Beneficiary; (c) in items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 26, 29, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40 on Schedule B to that certain title insurance policy number 700608-A issued contemporaneously herewith with respect to the Las Vegas Property by First American Title Insurance Company to the Beneficiary; and (d) in items 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22 on Schedule B to that certain title insurance policy number 700608 issued contemporaneously herewith with respect to the Laughlin Property by First American Title Insurance Company to the Beneficiary (each of said title insurance policies being a "Title Policy").

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EXHIBIT G

Lease Subordination Provisions

Subordination. This Lease and Tenant's rights hereunder are and shall be subject and subordinate to any and all deeds of trust or mortgages affecting the Property in which the demised premises are located, whether made prior to, on or after the date of this Lease (each a "Mortgage"), including that certain Deed of Trust, Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of February 21, 1990 from Embassy Suites, Inc., as the Grantor, to First American Title Insurance Company of Nevada, as the Trustee, for the benefit of Valley Bank of Nevada, as the Beneficiary, recorded \_\_\_\_\_ [insert recording data as recorded in the Office of the County Recorder of Washoe County, Douglas County or Clark County, as applicable] (the "Existing Mortgage"), any and all advances thereunder made prior to, on or after the date of this Lease, and all amendments, modifications, supplements, extensions, renewals or replacements thereof executed and delivered prior to, on or after the date of this Lease. Notwithstanding the foregoing, the holder of any Mortgage (including without limitation the Mortgagee (as defined in the Existing Mortgage)) may at any time elect to make the Mortgage held by such holder subordinate to this Lease by giving Tenant written notice of such subordination and, upon the giving of such notice to Tenant by such holder, the Mortgage held by such holder shall be deemed to be subordinate to this Lease. The provisions of this Section shall be self-operative and no further instrument of subordination under this Section shall be required. In confirmation of any subordination provided herein, Tenant shall promptly execute, acknowledge and deliver any instrument that the holder of any Mortgage may reasonably request in writing to evidence such subordination. Notwithstanding anything herein to the contrary, the provisions of this Section may not be amended with respect to any Mortgage without the consent in writing of the holder of such Mortgage.

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EXHIBIT H

Amended and Restated  
Master Collateral Agreement

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AMENDED AND RESTATED  
MASTER COLLATERAL AGREEMENT

dated as of February 21, 1990

among

EMBASSY SUITES, INC.,  
the Company,

THE COLLATERAL GRANTORS DESCRIBED HEREIN,  
the Collateral Grantors,

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH,  
the Administrative Agent,

CREDIT LYONNAIS NEW YORK BRANCH,  
CREDIT LYONNAIS CAYMAN ISLAND BRANCH,  
BANKERS TRUST COMPANY,  
THE BANK OF NEW YORK,  
CITIBANK, N.A., and  
THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH,  
the Managing Agents,

WILMINGTON TRUST COMPANY,  
the Corporate Collateral Agent,

and

WILLIAM J. WADE,  
the Individual Collateral Agent

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AMENDED AND RESTATED  
MASTER COLLATERAL AGREEMENT

AMENDED AND RESTATED MASTER COLLATERAL AGREEMENT dated as of February 21, 1990 among EMBASSY SUITES, INC., a Delaware corporation (the "Company"), the parties listed on the signature pages hereof under the caption "Collateral Grantors" and the Persons that shall, at any time after the date hereof, become Material Subsidiaries (as defined below) (collectively the "Collateral Grantors"), THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH (the "Administrative Agent") and CREDIT LYONNAIS, BANKERS TRUST COMPANY, THE BANK OF NEW YORK, CITIBANK, N.A. and THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH (collectively the "Managing Agents") for the Banks described in the Master Facility Agreement (as defined below), and WILMINGTON TRUST COMPANY, in its limited capacity as Corporate Collateral Agent hereunder and not in its individual capacity (the "Corporate Collateral Agent") and WILLIAM J. WADE in his limited capacity as Individual Collateral Agent hereunder and not in his individual capacity (the "Individual Collateral Agent"; the Corporate Collateral Agent and the Individual Collateral Agent being collectively the "Collateral Agents").

WITNESSETH:

WHEREAS:

AA. Reference is hereby made to the Master Collateral Agreement (the "Old Master Collateral Agreement") dated as of February 23, 1988 among Holiday Inns, Inc., a Tennessee corporation ("Holiday"), the collateral grantors listed therein (the "Old Collateral Grantors"), as collateral grantors, Sumitomo, and Valley Bank of Nevada, a Nevada corporation ("Valley Bank"), as collateral agent, recorded (i) on February 24, 1988 in the Official Records, Washoe County, Nevada, in Book 2694, at page 886, as File No. 1227964; (ii) on February 24, 1988 in the Official Records, Douglas County, Nevada, in Book 288, at page 3364, as File No. 173109; and (iii) on February 24, 1988 in the Official Records, Clark County, Nevada, in Book 880420, as Document No. 00252; as amended by the First Amendment to Master Collateral Agreement dated as of February 7, 1990 among the Company, Holiday, the Old Collateral Grantors, Sumitomo and Valley Bank, recorded (i) on February 7, 1990 in the Official Records, Washoe County, Nevada, as File No. 1379387; (ii) on February 7, 1990 in the Official Records, Douglas County,

220486

Nevada, as File No. 219686; and (iii) on February 7, 1990 in the Official Records, Clark County, Nevada, in Book 900207, as Document No. 00312;

BB. Holiday transferred the collateral subject to, and its interest under, the Old Master Collateral Agreement to the Company and the Company has assumed Holiday's obligations under the Old Master Collateral Agreement by said First Amendment to Master Collateral Agreement.

CC. The Collateral Grantors include all of the collateral grantors under the Old Master Collateral Agreement and certain additional Collateral Grantors.

DD. Pursuant to Section 6.06 of the Old Master Collateral Agreement, Sumitomo hereby removes Valley Bank as collateral agent under the Old Master Collateral Agreement and hereby appoints the Collateral Agents as successor collateral agents under the Old Master Collateral Agreement.

EE. Sumitomo hereby assigns and transfers its interest under the Old Master Collateral Agreement to the Administrative Agent and the Managing Agents for the Banks under the Master Facility Agreement.

FF. The Company, the Collateral Grantors and the Agent desire to amend and restate the Old Master Collateral Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the premises, in consideration of the agreements and provisions hereinafter set forth, for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto hereby agree that the Old Master Collateral Agreement is hereby amended and restated in its entirety to read as follows and, as so amended and restated, this Agreement replaces and supersedes the Old Master Collateral Agreement:

#### RECITALS

WHEREAS, the Company, the Parent (as defined below), the Banks described in the Master Facility Agreement, the Managing Agents and the Administrative Agent have entered into the Master Facility Agreement providing for, and governing certain terms with respect to, certain credit facilities to be extended to or for the account of the Company and certain of its Subsidiaries in a total amount of up to



\$1,019,506,250 by the Administrative Agent, the Managing Agents and such Banks;

WHEREAS, this Agreement is the Master Collateral Agreement referred to in the Master Facility Agreement; and

WHEREAS, in order to induce the Administrative Agent, the Managing Agents and the Banks that are parties to the Master Facility Agreement to enter into the Facility Agreements (as defined in the Master Facility Agreement), the Collateral Grantors are willing to secure the Secured Obligations (as defined below) as provided in this Agreement and the other Collateral Documents (as defined below) and the parties hereto are willing to enter into the agreements set forth herein with respect to the Collateral (as defined below).

NOW, THEREFORE, in consideration of the premises, in consideration of the agreements and provisions hereinafter set forth, for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS AND OTHER MATTERS

#### SECTION 1.01. Definitions.

(a) Unless otherwise defined herein, the capitalized terms used herein that are defined in or incorporated by reference in the Master Facility Agreement, have the meanings specified in the Master Facility Agreement.

(b) The following terms, when used in this Agreement, have the following meanings:

"Account Collateral" has the meaning set forth in Section 4.02.

"Additional Collateral" means all property of the Company or any other Collateral Grantor hereinafter mortgaged, granted, conveyed, assigned, transferred, delivered, pledged or held by the Collateral Agents or any sub-, co- or separate collateral agents under any Additional Collateral Document or upon which the Collateral Agents or any sub-, co-

or separate collateral agents hold a Lien or security interest under any Additional Collateral Document.

"Additional Collateral Documents" means all security agreements, deeds of trust, assignments, mortgages, financing statements, instruments or other documents hereafter entered into by the Company or any Collateral Grantor pursuant to the Master Facility Agreement, this Agreement or any other Collateral Document which grant to the Collateral Agents a Lien on any of the Collateral, confirm, perfect, preserve or protect any security interest in or Lien on any of the Collateral or enable or further enable the Collateral Agents to exercise any of its rights under the Collateral Documents.

"Additional Hotel Properties" has the meaning set forth in Section 5.29 of the Master Facility Agreement.

"Additional Properties" means casino/hotel or hotel properties wholly owned by the Company, the Parent or any of their respective wholly-owned Subsidiaries.

"Administrative Agent" has the meaning set forth in the Preamble.

"Appraised Value" means (i) (x) with respect to the Casino Properties constituting the Collateral referred to in clauses (i) through (iv) of the definition of the term "Collateral" herein, the "Appraised Value" (as such term is defined in Section 7.07(a)) of the Casino Properties as determined at the time in question as provided in Section 7.07, and (y) with respect to any Additional Properties constituting Additional Collateral referred to in clause (z) of Section 7.06(c), the "Appraised Value" (as such term is defined in Section 7.07(a)) of the Additional Properties in question constituting such Additional Collateral as determined at the time in question as provided in Section 7.07, (ii) with respect to any Additional Collateral referred to in clause (x) or (y) of Section 7.06(c) consisting of cash or letters of credit, the amount of any such cash or the face amount of such letters of credit, as the case may be, and (iii) with respect to any Additional Collateral referred to in clause (x) or (y) of Section 7.06(c) consisting of Eligible Investments, the discounted present value of such Eligible Investments (taking into account the earnings thereon), as calculated by the Administrative Agent utilizing the Prime Rate as the discount rate, which calculations shall be set forth in writing by the Administrative Agent and

shall, absent manifest error, be binding on all parties hereto.

"Appraised Value Determination" has the meaning set forth in Section 7.07.

"Assignment" means the Assignment of Leases and Rents dated as of or about the date hereof from Marina, as assignor, to Central Jersey as collateral sub-agent for the Collateral Agents, as assignee, relating to the Atlantic City Property.

"Atlantic City Property" has the meaning set forth in the Mortgage.

"Awards" has the meaning set forth in the Deed of Trust or the Mortgage, as the case may be, and also any condemnation awards or proceeds received under any other mortgage, deed of trust, deed to secure debt or other Collateral Document.

"Banks" has the meaning set forth in the Master Facility Agreement.

"Bankruptcy Laws" means the Federal Bankruptcy Code and any other bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally.

"Beneficiary" has the meaning set forth in the Deed of Trust.

"Business Day" means any Domestic Business Day (as defined in the Master Facility Agreement) other than a day on which banking institutions in the State of Delaware, Nevada or New Jersey are authorized or required by law to close.

"Casino Property" means each of the Reno Property, the Lake Tahoe Property, the Las Vegas Property, the Laughlin Property and the Atlantic City Property.

"Central Jersey" means Central Jersey Bank & Trust Company.

"Collateral" means (i) the Trust Property, (ii) the Mortgaged Property, (iii) the Security Agreement Collateral, including the Trademark Collateral, (iv) the Pledge Agreement Collateral, (v) the Additional Collateral, (vi) the Account Collateral, (vii) any other property of the Company or any other Collateral Grantor held by the Collateral Agents or any

co-, sub- or separate collateral agents subject to a Lien in favor of the Secured Parties in respect of the Secured Obligations; and (viii) all Proceeds (including, without limitation, any such Proceeds held in the Collateral Account prior to application of such amounts in accordance with Section 4.04) of the property, accounts, rights and assets referred to in clauses (i) through (vii), other than any such property, accounts, rights, assets or Proceeds as may have been released from the Liens created by the other Collateral Documents in accordance with the terms thereof and of this Agreement.

"Collateral Account" has the meaning set forth in Section 4.01.

"Collateral Agents" has the meaning set forth in the Preamble.

"Collateral Agent Fees" means the fees, costs and expenses set forth in Sections 5.02 - 5.06.

"Collateral Documents" means (i) this Agreement and Supplement No. 1 hereto dated as of the date hereof and Supplement No. 2 hereto dated as of the date hereof, (ii) the Deed of Trust, (iii) the Mortgage, (iv) the Assignment, (v) the Security Agreement, (vi) the Pledge Agreements, (vi) the Net Lease Agreements, (viii) the License Letter Agreement, and (vi) any Additional Collateral Documents.

"Collateral Grantors" has the meaning set forth in the Preamble.

"Collateral Release Instruction" has the meaning set forth in Section 7.03(b).

"Collateral Release Request" means a written notice, to the Administrative Agent, signed by an authorized officer of the Company, which requests a release of the Specified Collateral as of the Release Date and certifies that the Company intends in good faith to satisfy the conditions to release set forth in Section 7.01, 7.02, 7.03, 7.04 and 7.05, as applicable, as of the Release Date.

"Commitment to Value Ratio" means at any time an amount, expressed as a percentage, equal to the aggregate amount of the Commitments under the Facilities (or, if the Commitments have been terminated, the aggregate unpaid principal amount of the Loans plus the aggregate amount available to be drawn under all outstanding Letters of Credit plus the

aggregate amount of drawings under all Letters of Credit that have not been reimbursed) divided by the aggregate Appraised Value of the Casino Properties and, for the purposes of Section 7.06(c) only, the other Properties at such time.

"Company" has the meaning set forth in the Preamble.

"Corporate Collateral Agent" has the meaning set forth in the Preamble.

"Credit Lyonnais" means Credit Lyonnais New York Branch, and Credit Lyonnais Cayman Island Branch.

"Deed of Trust" means the Amended and Restated Deed of Trust, Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of or about the date hereof from the Company, as grantor, and the collateral grantors listed therein to First American Title Company of Nevada, as trustee, and Valley Bank as collateral sub-agent for the Collateral Agents, as Beneficiary, relating to the Reno Property, the Lake Tahoe Property, the Las Vegas Property and the Laughlin Property.

"Distribution Date" has the meaning set forth in Section 4.04.

"Embassy Properties" has the meaning set forth in Section 5.29 of the Master Facility Agreement.

"Final Release Date" means the date on which all of the Collateral shall have been released from the Liens created by the Collateral Documents pursuant to Section 7.03.

"Harrah's" means Harrah's, a Nevada corporation, one of the Collateral Grantors.

"Harrah's Club" means Harrah's Club, a Nevada corporation, one of the Collateral Grantors.

"Harrah's Laughlin" means Harrah's Laughlin, Inc., a Nevada corporation, one of the Collateral Grantors.

"Holiday" has the meaning set forth in the Preamble.

"Holiday Casino" means Holiday Casino, Inc., a Nevada corporation, one of the Collateral Grantors.



"Individual Collateral Agent" has the meaning set forth in the Preamble.

"Insurance Proceeds" has the meaning set forth in the Deed of Trust or the Mortgage, as the case may be, and also any insurance proceeds received under any other mortgage, deed of trust, deed to secure debt or other Collateral Document.

"Lake Tahoe Property" has the meaning set forth in the Deed of Trust.

"Las Vegas Property" has the meaning set forth in the Deed of Trust.

"Laughlin Property" has the meaning set forth in the Deed of Trust.

"License Letter Agreement" means the letter agreement dated as of February 7, 1990 from Holiday to Valley Bank as collateral sub-agent for the Collateral Agents concerning the license to use the Holiday Inn system in connection with the Las Vegas Property.

"Marina" means Marina Associates, a New Jersey partnership, one of the Collateral Grantors.

"Master Facility Agreement" means the Master Facility Agreement dated as of or about the date hereof among the Company, the Parent, the Banks described therein, the Managing Agents and the Administrative Agent.

"Material Subsidiaries" has the meaning set forth in the Master Facility Agreement.

"Mortgage" means the Mortgage, Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated as of or about the date hereof from Marina, as mortgagor, to Central Jersey as collateral sub-agent for the Collateral Agents, as Mortgagee, relating to the Atlantic City Property.

"Mortgagee" has the meaning set forth in the Mortgage.

"Mortgaged Property", with respect to the Atlantic City Property, has the meaning set forth in the Mortgage.

"Net Lease Agreement" means each of (i) the Amended and Restated Net Lease Agreement dated as of or about the

date hereof among Valley Bank as collateral sub-agent for the Collateral Agents, as lessor, Harrah's and Harrah's Club, as lessees, and the Company and the Parent, as guarantors, with respect to the Reno Property, (ii) the Amended and Restated Net Lease Agreement dated as of or about the date hereof among Valley Bank as collateral sub-agent for the Collateral Agents, as lessor, Harrah's and Harrah's Club, as lessees, and the Company and the Parent, as guarantors, with respect to the Lake Tahoe Property, (ii) the Amended and Restated Net Lease Agreement dated as of or about the date hereof among Valley Bank as collateral sub-agent for the Collateral Agents, as lessor, Holiday Casino, as lessee, and the Company and the Parent, as guarantors, with respect to the Las Vegas Property, and (iv) the Net Lease Agreement dated as of or about the date hereof among Valley Bank as collateral sub-agent for the Collateral Agents, as lessor, Harrah's Laughlin, as lessee, and the Company and the Parent, as guarantors, with respect to the Laughlin Property.

"Notice of Event of Default" means a written notice to the Corporate Collateral Agent from or on behalf of the Administrative Agent (acting at the direction of the Required Banks, provided, that, in the case of a Default under Section 6.01(a)(ii) of the Master Facility Agreement, such notice may be given by the Administrative Agent) stating that an Event of Default (or a Default under Section 6.01(a)(ii) of the Master Facility Agreement) has occurred and is continuing, which notice may be oral if immediately confirmed in writing, including facsimile or telex, provided that the lack of such an immediate confirmation shall not affect the conclusiveness and binding effect of such notice.

"Old Collateral Grantors" has the meaning set forth in the Preamble.

"Old Master Collateral Agreement" has the meaning set forth in the Preamble.

"Parent" means The Promus Companies Incorporated, a Delaware corporation.

"Period of Default" has the meaning set forth in Section 3.01.

"Permitted Collateral Liens" means with respect to the Trust Property the "Permitted Property Liens" as such term is defined in the Deed of Trust; with respect to the Mortgaged Property, the "Permitted Property Liens" as such term is defined in the Mortgage; and with respect to the

Security Agreement Collateral, the "Permitted Collateral Liens" as such term is defined in the Security Agreement.

"Pledge Agreements" means the Pledge Agreements dated as of or about the date hereof from the Parent, the Company and certain Subsidiaries of the Company to the Collateral Agent.

"Pledge Agreement Collateral" has the meaning set forth in the definition of "Pledge Collateral" in the Pledge Agreements.

"Proceeding" means a case under the Federal Bankruptcy Code (as amended from time to time) and any successor federal statute, or any similar law of any state or foreign country, or political subdivision thereof.

"Proceeds" means proceeds, profits, receipts or other property of any kind received upon the sale, exchange, collection or other disposition of any of the Collateral or of Proceeds thereof, whether now existing or arising hereafter.

"Properties" means the Casino Properties, the Embassy Properties, the Additional Hotel Properties and the Additional Properties.

"Reimbursement Agreement" means the Amended and Restated Reimbursement Agreement dated as of or about the date hereof among the Company, the Parent, Holiday, Holiday Corporation and Sumitomo.

"Related Collateral" means with respect to any Casino Property (i) the Trust Property or Mortgaged Property, as the case may be, under the Deed of Trust relating to such Property, (ii) the Security Agreement Collateral relating solely to such Property, including the Trademark Collateral relating solely to such Property, (iii) the Pledge Agreement Collateral relating solely to such Property and (iv) the Restoration Account relating solely to such Property.

"Release Date" has the meaning set forth in Section 7.03.

"Release Document" has the meaning set forth in Section 7.04.

"Reno Property" has the meaning set forth in the Deed of Trust.

"Restoration Account" shall have the meaning set forth in the Deed of Trust or the Mortgage, as the case may be, and also any restoration account held under any other mortgage, deed of trust, deed to secure debt or other Collateral Document.

"Revolving Facility Agreement" means the Revolving Facility Agreement dated as of or about the date hereof among the Company, the Parent, the Administrative Agent and the Banks.

"Secured Documents" means the Master Facility Agreement, the Reimbursement Agreement, the Term Facility Agreement, the Revolving Facility Agreement, the Promissory Notes, the Guarantee Agreements, the Mandatory Interest Rate Protection Agreements and the other Credit Documents, including this Agreement and the other Collateral Documents, but excluding the Net Lease Agreements and the License Letter Agreement.

"Secured Obligations" means (i) all indebtedness, liabilities and obligations of all Collateral Grantors under any Credit Document; and (ii) all amendments, supplements, consolidations, replacements, restatements, extensions, renewals and other modifications, in whole or in part, of the indebtedness, liabilities and obligations described in clause (i) above, provided that, with respect to any Collateral Grantor, Secured Obligations shall be limited to such Collateral Grantor's indebtedness, liabilities and obligations under the Credit Documents.

"Secured Parties" means the Banks, the Issuing Banks, the Managing Agents, the Administrative Agent and the Collateral Agents as well as any participant or assignee of any Bank under any Secured Document.

"Security Agreement" means the Security Agreement dated as of or about the date hereof among the Company, the grantors named therein and the Collateral Agents.

"Security Agreement Collateral" has the meaning set forth in the definition of "Collateral" in the Security Agreement.

"Specified Collateral" has the meaning set forth in Section 7.03(a).

"Sumitomo" has the meaning set forth in the Preamble.

"Term Loan Agreement" means the Term Loan Agreement dated as of or about the date hereof among the Company, the Parent, the Administrative Agent and the Banks.

"Trademark Collateral" means the Designated Marks (as defined in the Security Agreement) subject to Security Interests (as defined in the Security Agreement).

"Trust Property", with respect to the Reno Property, the Lake Tahoe Property, the Las Vegas Property, and the Laughlin Property, has the meaning set forth in the Deed of Trust.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York, or, if required by Section 8.06, as in effect in such other jurisdiction where Collateral is located.

"Valley Bank" has the meaning set forth in the Preamble.

(c) In this Agreement, unless otherwise specified, references to each of this Agreement, the Master Facility Agreement, the other Secured Documents, the Collateral Documents and the Secured Obligations include all amendments, supplements, consolidations, replacements, extensions, renewals and other modifications thereof entered into in accordance with the provisions thereof.

## ARTICLE II

### THE SECURITY INTERESTS

SECTION 2.01. Authorization. The Company, the Collateral Grantors and the Secured Parties (other than the Collateral Agents) hereby irrevocably authorize and direct the Collateral Agents or each of them acting jointly or severally, and the Collateral Agents hereby agree, as Collateral Agents hereunder and not in their individual capacities, (i) to accept, execute and deliver the Deed of Trust, the Mortgage, the Assignment, the Security Agreement, the Pledge Agreements and all other Collateral Documents to which the Collateral Agents are or may become a parties and all other documents, including without limitation, all UCC financing statements and other filing and recording instru-



ments necessary or desirable to perfect or record the Liens created by the Collateral Documents and all other instruments and documents necessary or desirable to consummate the transactions contemplated by the Secured Documents and perfect the Liens and security interests contemplated by the Collateral Documents; and (ii) subject to Section 3.04, upon the written instructions of the Administrative Agent (acting at the direction of the Required Banks), to exercise its rights, remedies and obligations, or to cause any co-, sub- or separate collateral agent to exercise its rights, remedies and obligations, as Beneficiary under the Deed of Trust, as Mortgagee under the Mortgage, as Assignee under the Assignment, and as a secured party under the Security Agreement, the Pledge Agreements and the other Collateral Documents.

SECTION 2.02. Limitation on Liability of the Secured Parties. The Secured Parties shall not be deemed, as a result of the execution and delivery of the Collateral Documents or the consummation of the transactions contemplated by the other Secured Documents, to have assumed any obligation of the Company or any Collateral Grantor with respect to the Collateral or any liability under or with respect to any of the contracts, agreements, instruments or documents which are, or which may hereafter be, assigned to the Collateral Agents for the benefit of the Secured Parties or, except upon the written instructions of the Administrative Agent (acting at the direction of the Required Banks), to take possession of or to operate or lease any of the Properties or, except to the extent provided in this Agreement or the other Collateral Documents, to take possession of or care for any of the other Collateral. The Secured Parties shall not have any obligation or liability with respect to any of the Collateral, except that the Collateral Agents shall have any obligations expressly set forth in this Agreement or the other Collateral Documents and the obligations imposed by mandatory provisions of applicable law.

### ARTICLE III

#### EVENTS OF DEFAULT; REMEDIES

SECTION 3.01. Remedies upon Event of Default. A "Period of Default" shall commence upon receipt by the Corporate Collateral Agent of a Notice of Event of Default and shall continue until such Notice of Event of Default shall be withdrawn by written notice to the Corporate Collateral Agent from or on behalf of the Administrative Agent (acting at the direction of the Required Banks, provided, that, in the case

of an Event of Default under Section 6.01(a)(ii) of the Master Facility Agreement, such notice may be given by the Administrative Agent). If a Period of Default shall be continuing, the Collateral Agents shall, upon the written instructions (which instructions may be oral if immediately confirmed in writing, including facsimile or telex, provided that the lack of such an immediate confirmation shall not effect the conclusiveness and binding effect of such notice) in each case of the Administrative Agent (acting at the direction of the Required Banks provided, that, in the case of a Default under Section 6.01(a)(ii) of the Master Facility Agreement, the Administrative Agent may instruct the Collateral Agents to instruct the Beneficiary under the Deed of Trust to record, file and mail a notice of breach and election to sell), on behalf of the Secured Parties, (i) exercise the rights and remedies granted to the Collateral Agents, and cause any co-, sub- or separate collateral agent to exercise the rights and remedies granted to it under the Deed of Trust (as Beneficiary), the Mortgage (as Mortgagee), the Security Agreement, the Pledge Agreements, the Net Lease Agreement, this Agreement or any other mortgage, deed of trust, deed to secure debt or other Collateral Document, and (ii) exercise, or cause to be exercised, all other rights and remedies as are available to a beneficiary under a deed of trust under applicable law, a mortgagee under a mortgage under applicable law and a secured party under the UCC or as are otherwise available to the Collateral Agents or any co-, sub- or separate collateral agent under applicable law, all as specified in such instructions, subject in all cases to the provisions of Section 3.04(b) and (c).

SECTION 3.02. General Authority of the Collateral Agents over the Collateral. Each of the Company and the Collateral Grantors hereby irrevocably constitutes and appoints each Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the Company or such Collateral Grantor, or its own name, at any time and from time to time while a Period of Default is continuing, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to carry out the terms of this Agreement or any other Collateral Document and, without limiting the generality of the foregoing, each of the Company and the Collateral Grantors hereby irrevocably grants to each Collateral Agent, so long as a Period of Default is continuing, the power and right on its behalf, without notice to or further assent of the Company or such Collateral Grantor, to do the following, subject to mandatory provisions of

applicable law (including, without limitation, the Gaming Regulations and the Bankruptcy Laws):

(i) to ask for, demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon, under, or in connection with, the Collateral or any Collateral Document;

(ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, acceptances, documents and other negotiable and nonnegotiable instruments taken or received by the Collateral Agent as such, or in connection with, the Collateral or any Collateral Document;

(iii) to commence, prosecute, defend, settle, compromise or adjust any claim, suit, action or proceeding with respect to, or in connection with, the Collateral or any Collateral Document;

(iv) to sell, transfer, assign or otherwise deal in or with the Collateral or any part thereof, or to assign any Collateral Document as may be permitted by the provisions thereof, as fully and effectively as if such Collateral Agent were the Company or any of the Collateral Grantors, or all of the Company and the Collateral Grantors acting in concert; and

(v) to do, at its option but at the expense of the Company and the Collateral Grantors, at any time or from time to time, all acts and things which such Collateral Agent deems necessary to protect or preserve the Collateral and to realize upon the Collateral or any rights granted under any Collateral Document.

The foregoing constitution and appointment is coupled with and interest and is irrevocable until the date on which the Collateral or Collateral Document in question is released pursuant to Section 7.04.

SECTION 3.03. Waiver and Estoppel. (a) Each of the Company and the Collateral Grantors irrevocably agrees, to the extent it may lawfully do so, that it will not at any time or in any manner whatsoever claim or take the benefit or advantage of any appraisal, valuation, stay, extension, moratorium, turnover or redemption law, or any law permitting it to direct the order in which the Collateral shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of

this Agreement or any other Collateral Document, and hereby waives all benefit or advantage of all such laws. Each of the Company and the Collateral Grantors irrevocably covenants that it will not hinder, delay or impede the execution of any power granted to the Collateral Agents in this Agreement, the Deed of Trust, the Mortgage or any other Collateral Document, or to the Trustee under the Deed of Trust, but will suffer and permit the execution of every such power as though no such law were in force.

(b) Each of the Company and the Collateral Grantors, to the extent it may lawfully do so, on behalf of itself and all who may claim through or under it, including without limitation any and all subsequent creditors, vendees, assignees and lienors, irrevocably waives and releases all rights to demand or to have any marshalling of any of the Collateral upon any sale, whether made under any power of sale granted herein or pursuant to judicial proceedings or upon any foreclosure or any enforcement of this Agreement or any other Collateral Document and irrevocably consents and agrees that all the Collateral may at any such sale be offered and sold as an entirety.

(c) Each of the Company and the Collateral Grantors waives, to the extent permitted by applicable law, presentment, demand, protest and any notice of any kind (except notices explicitly required hereunder or under the Secured Documents) in connection with this Agreement or any other Collateral Document and any action taken by the Collateral Agents with respect to the Collateral.

SECTION 3.04. Control by the Administrative Agent.

(a) Subject to Section 3.04(b) and subject in all cases to the right of the Collateral Agents to indemnity and security as set forth in Sections 5.06 and 6.03(d), if a Period of Default is continuing, the Administrative Agent (acting at the direction of the Required Banks) shall have the right, by written instructions executed and delivered to the Corporate Collateral Agent, to direct the time, method and place of exercising any right, remedy or power available to the Collateral Agents hereunder or under any of the Deed of Trust, the Mortgage, the Assignment, the Security Agreement, the Pledge Agreements or any other mortgage, deed of trust, deed to secure debt or other Collateral Document.

(b) The Collateral Agents shall not be obligated to follow any written directions received pursuant to Section 3.04(a) to the extent that such written directions are in conflict with any mandatory provision of applicable law



(including without limitation, the Gaming Regulations and the Bankruptcy Laws) or this Agreement.

SECTION 3.05. Remedies Not Exclusive. (a) No right, remedy or power conferred upon or reserved to the Collateral Agents hereunder or in any Collateral Document is intended to be exclusive, but every such right, remedy or power shall be cumulative and shall be in addition to every other right, remedy or power provided for herein or in the Collateral Documents or now or hereafter existing under any provision of applicable law.

(b) No delay or omission of the Collateral Agents to exercise any right, remedy or power shall impair any such right, remedy or power or shall be construed to be a waiver thereof or of any Event of Default. Every right, power and remedy conferred upon or reserved to the Collateral Agent herein, in the Deed of Trust, in the Mortgage or in any other Collateral Document may be exercised from time to time and as often as may be deemed expedient by the Collateral Agents.

(c) If the Collateral Agents shall have proceeded to enforce any right, remedy or power conferred upon or reserved to the Collateral Agents herein, in the Deed of Trust, in the Mortgage or in any other Collateral Document, and the proceeding for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agents, then and in every such case the Company, the Collateral Grantors and the Secured Parties shall, subject to any effect of or determination in such proceeding, severally and respectively be restored to their former positions and rights hereunder and under such Collateral Document with respect to the Collateral and in all other respects, and thereafter all rights, remedies and powers of the Collateral Agents shall continue as though no such proceeding had been taken.

(d) To the maximum extent permitted by applicable law, all rights of action and rights to assert claims upon or under this Agreement and the other Collateral Documents may be enforced by the Collateral Agents without possession of any instrument evidencing the obligations secured hereby or thereby or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Collateral Agents shall be brought in its name in such capacity and any recovery or judgment shall be held as part of the Collateral.

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SECTION 3.06. Limitation of Collateral Agents' Duties in Respect of Collateral. Except for their duties set forth in this Agreement and the other Collateral Documents or as may be required under applicable law, the Collateral Agents shall not have any duty to the Company, the other Collateral Grantors or the Secured Parties as to any Collateral in their possession or control or in the possession or control of any agent or nominee or representative of the Collateral Agents or as to any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agents shall not be responsible in any way for any depreciation in the value of any Collateral.

SECTION 3.07. Limitation by Law. The provisions of this Article III are intended to be subject to all mandatory provisions of applicable law (including, without limitation, the Gaming Regulations and the Bankruptcy Laws) which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or any other Collateral Document illegal, invalid or unenforceable in whole or in part or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 3.08. Absolute Rights of the Administrative Agent. Notwithstanding any other provision of this Agreement or any other Collateral Document, but subject to mandatory provisions of applicable law (including, without limitation, applicable Gaming Regulations and Bankruptcy Laws), the following rights of the Administrative Agent, each of which is absolute and unconditional, shall not be impaired or adversely affected without the written consent of the Administrative Agent: (i) the right of the Administrative Agent on behalf of the Banks to receive payments under the Facility Agreements, (ii) the right of the Administrative Agent (acting at the direction of the Required Banks) on behalf of the Banks to seek, in any Proceeding in which the Company or any of the Collateral Grantors is a debtor, adequate protection of its interest and the interests of the Banks under the Secured Documents and in the Collateral, (iii) the right of the Administrative Agent (acting at the direction of the Required Banks) on behalf of the Banks to institute suit for the enforcement of its rights and the rights of the Banks under the Secured Documents, or (iv) the right of the Administrative Agent (acting at the direction of the Required Banks) on behalf of the Banks otherwise to assert its position and views or those of the Banks or to act (including making and voting claims) as a secured creditor in

any Proceeding in which the Company or any of the Collateral Grantors is a debtor.

SECTION 3.09. Multiple Real and Personal Property Collateral. The Company and the other Collateral Grantors hereby acknowledge that the Banks are extending credit based upon both the financial statements of the Obligors and the aggregate values of the real and personal property constituting the Collateral; that the Collateral is located in different jurisdictions, and additional Collateral is to be provided from yet other jurisdictions; and that certain of the real and personal property constituting the Collateral relate to and enhance the value of the other, e.g., the land and buildings constituting particular casino premises and the related trade names and gaming equipment. Accordingly, the Company and the other Collateral Grantors hereby agree that, from and after any Event of Default, the Banks shall be allowed, to the greatest extent permitted by applicable law, to pursue and realize upon all of the remedies available to them under any of the Credit Documents, at law, in equity, or otherwise, and simultaneously or consecutively, in their discretion, including without limitation, commencement of one or more actions in one or more jurisdictions for repayment of all or portions of the Obligations; for the separate or simultaneous sale or foreclosure of real and/or personal property or portions thereof; for the obtaining of judgments and/or deficiency judgments; for the seeking of injunctive relief; and for maximum access to and realization from credit and Collateral or portions thereof in such manner as the Banks may deem in their interest, and hereby waive any requirement that any deficiency judgment proceeding be initiated or completed with respect to any other property constituting Collateral as a condition to commencing any enforcement proceeding against any party or any particular item of Collateral. The Company and the other Collateral Grantors hereby expressly acknowledge and agree that various consents, waivers and agreements set forth in any of the Credit Documents, including the deeds of trust and mortgages, were granted in recognition of the foregoing, and that all such waivers, consents and agreements shall apply to each other Credit Document as though set forth therein. In addition to any other consents, waivers and agreements set forth in any of the Credit Documents, and without limiting the foregoing, each Obligor and Collateral Grantor agrees that, to the maximum extent permitted by applicable law, the Banks may foreclose on and/or sell all properties located in the same state in any one or more counties where any of the properties in that state are located; any personal property located on real property encumbered by a mortgage or deed of

trust may be foreclosed upon in the manner provided for, simultaneously with, and as part of the proceeding for, foreclosure of the real property; and each of the Company and each other Collateral Grantor hereby waives the benefits of any "one-action rule" of any state which may be applicable to it or to any of the Collateral and waives marshalling of assets for itself and all other parties claiming by, through or under it.

#### ARTICLE IV

##### COLLATERAL ACCOUNTS AND RESTORATION ACCOUNTS; APPLICATION OF MONIES

SECTION 4.01. Collateral Accounts and Restoration Accounts. On or before the Closing Date, there shall be established and, at all times thereafter until this Agreement shall have terminated, there shall be maintained (i) a separate account with respect to each Collateral Grantor (herein referred to as such Collateral Grantor's "Collateral Account" and collectively as the "Collateral Accounts") in which all Proceeds required to be received by the Collateral Agents by the provisions of the Collateral Documents (other than Insurance Proceeds and Awards under the Deed of Trust, the Mortgage, the Security Agreement or any other mortgage, deed of trust, deed to secure debt or other Collateral Document, prior to such time as such Insurance Proceeds or Awards are transferred from the Restoration Account to the Collateral Account as provided in the Deed of Trust, the Mortgage, the Security Agreement or such other mortgage, deed of trust, deed to secure debt or other Collateral Document) shall be deposited and held by the Corporate Collateral Agent for the exclusive benefit of the Secured Parties and (ii) a Restoration Account with respect to each Property covered under the Deed of Trust, the Mortgage or any other mortgage, deed of trust, deed to secure debt or other Collateral Document. Each such Collateral Account and Restoration Account shall be established and maintained by the Corporate Collateral Agent at the Administrative Agent, or at such other bank or trust company as the Administrative Agent (acting at the direction of the Required Banks) shall designate in writing to the Corporate Collateral Agent. Except as otherwise provided in the Collateral Documents or required by applicable law, all monies which are received by any co-, sub- or separate collateral agent shall be immediately paid over to the Corporate Collateral Agent. Except as otherwise provided in the Collateral Documents or required by applicable law, all monies which are received by the Cor-

porate Collateral Agent pursuant to the provisions of this Agreement or any other Collateral Document or in respect of any of the Collateral (except monies to be deposited in a Restoration Account) shall be deposited by the Corporate Collateral Agent in the relevant Collateral Grantor's Collateral Account and thereafter shall be held, applied and disbursed by the Corporate Collateral Agent in accordance with this Agreement. All monies which are received by the Collateral Agents which are to be deposited in a Restoration Account pursuant to the Deed of Trust, the Mortgage or and other mortgage, deed of trust, deed to secure debt or other Collateral Document shall be deposited by the Corporate Collateral Agent in such Restoration Account and thereafter held, applied and disbursed as provided in the relevant Deed of Trust, Mortgage or other mortgage, deed of trust, deed to secure debt or other Collateral Document.

SECTION 4.02. Grant of Security Interest; Control of Collateral Accounts. (a) To secure the prompt and complete payment when due and performance of all of the Secured Obligations, each Collateral Grantor hereby assigns, pledges and hypothecates to the Collateral Agents and grants to the Collateral Agents for the benefit of the Secured Parties a security interest in all of the Company's or the Collateral Grantor's respective right, title and interest (if any) in and to the following, whether presently existing or hereafter arising or acquired (whether the same are acquired or created before or after the commencement of a Proceeding in which such Collateral Grantor is a debtor) (herein referred to as the "Account Collateral"), namely: (i) the Collateral Account of such Collateral Grantor, all cash deposited therein and all certificates, securities and instruments, if any, from time to time representing such Collateral Account and all claims, demands, choses in action and other rights of the Company or any of the Collateral Grantors in respect thereof; (ii) all investments from time to time made pursuant to Section 4.03; (iii) all notes, certificates of deposit and other instruments from time to time hereafter delivered or otherwise possessed by either Collateral Agent in substitution for, or in addition to, any or all of the then existing other Account Collateral; (iv) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing; and (v) to the extent not covered above, all Proceeds of any or all of the foregoing.

(b) All right, title and interest in and to each Collateral Account shall vest in the Corporate Collateral



Agent and the Account Collateral shall constitute part of the Collateral. Subject to the terms and condition of this Agreement and the other Collateral Documents, each Collateral Account shall be subject to the exclusive dominion and control of the Corporate Collateral Agent and shall be maintained for the exclusive benefit of the Secured Parties, in the priorities established by Section 4.04.

SECTION 4.03. Investment of Funds Deposited in Collateral Accounts and Restoration Accounts. The Corporate Collateral Agent shall invest and reinvest promptly upon receipt thereof monies on deposit in the Collateral Accounts and the Restoration Accounts at any time in one or more of the following investments selected by the Administrative Agent (acting at the direction of the Managing Agents) or in the absence of instructions for the Administrative Agent, by the Corporate Collateral Agent, to wit:

(i) marketable obligations of the United States having a maturity of not more than 90 days from the date of acquisition;

(ii) marketable obligations directly and fully guaranteed by the United States having a maturity of not more than 90 days from the date of acquisition;

(iii) bankers' acceptances and certificates of deposit and other interest-bearing obligations issued by any Managing Agent, the Corporate Collateral Agent or any office located in the United States of any bank or trust company (including any Bank) of the type described in clause (iii) of the definition of the term "Eligible Investments" (in the Master Facility Agreement), or

(iv) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (i), (ii) and (iii) entered into on a fully collateralized basis with any Managing Agent, the Corporate Collateral Agent or any other bank of the type described in clause (iii) above;

Provided that no Period of Default shall be continuing the monies on deposit in any Restoration Account which are not to be transferred to a Collateral Account pursuant to the provisions of the Deed of Trust, the Mortgage or any other mortgage, deed of trust, deed to secure debt or other Collateral



Document shall be invested in any of such investments selected by the relevant Collateral Grantor or, in the absence of written instructions from such Collateral Grantor by the Corporate Collateral Agent. In order to provide the Secured Parties with a perfected security interest therein, each such investment shall be either:

(A) evidenced by negotiable certificates or instruments, or if non-negotiable then issued in the name of the Corporate Collateral Agent or its nominee, which (together with any appropriate instruments of transfer) are delivered to, and held by, the Corporate Collateral Agent or an agent thereof; or

(B) in book-entry form and issued by the United States and subject to pledge under applicable state law and Treasury regulations and in which (in the written opinion of independent counsel to the Corporate Collateral Agent) the Corporate Collateral Agent shall have a perfected security interest.

All such investments and the interest and income received thereon and therefrom and the net proceeds realized on the sale thereof shall be held in the relevant Collateral Account or Restoration Account as part of the Account Collateral and the Collateral.

SECTION 4.04. Application of Monies. Subject to the provisions of Section 4.05, the Corporate Collateral Agent shall, if so instructed in writing by the Administrative Agent (acting at the direction of the Required Banks), distribute no later than the fifth Business Day following receipt by the Corporate Collateral Agent of a Notice of an Event of Default and on each quarterly anniversary of such fifth Business Day until the Final Release Date (or if any such quarterly anniversary is not a Business Day, on the next succeeding Business Day) (each such date being referred to herein as a "Distribution Date") all monies then held by the Corporate Collateral Agent in each Collateral Account (it being understood that the Corporate Collateral Agent may liquidate or direct the liquidation of investments of such monies prior to maturity and at the time and in the manner deemed appropriate by the Corporate Collateral Agent in order to make any distribution required pursuant to this Section 4.04) in the following order of priority to the following Secured Obligations of or guaranteed by the respective Collateral Grantor:

First: to the Corporate Collateral Agent in an amount equal to all Collateral Agents' and any co-, sub- or separate collateral agents' fees and expenses which have not been paid as of the Distribution Date, and to any Secured Party that has theretofore advanced or paid any Collateral Agents' and any co-, sub- or separate collateral agents' fees and expenses in an amount equal to the amount thereof so advanced or paid by such Secured Party prior to such Distribution Date and, if such moneys shall be insufficient to pay such amounts so advanced or paid in full, then, to each such Secured Party ratably in proportion to the respective amounts advanced or paid by each such Secured Party prior to such Distribution Date; provided that nothing herein is intended to relieve any Obligor of its obligation to pay such Collateral Agents' and any co-, sub- or separate collateral agents' fees and expenses from funds outside of such Collateral Account, as provided herein;

Second: to the Secured Parties in an amount equal to (i) all accrued but unpaid interest and Letter of Credit fees arising under the Secured Documents as of the Distribution Date and (ii) all regularly-scheduled but unpaid payments under the Mandatory Interest Rate Protection Agreements as of the Distribution Date; and, in case such moneys shall be insufficient to pay such amounts in full, then to the payment thereof ratably to such Secured Parties in proportion to the respective unpaid amounts thereof on such Distribution Date;

Third: to the Secured Parties in an amount equal to (i) the aggregate amount of all unreimbursed amounts payable with respect to Letters of Credit as of the Distribution Date, (ii) the aggregate principal amount of all Loans outstanding on the Distribution Date and (iii) all unpaid payments (other than those described in clause (ii) of the preceding clause "Second") arising under the Mandatory Interest Rate Protection Agreements; and, in case such moneys shall be insufficient to pay in full such amounts, then, to the payment thereof ratably to the Secured Parties in proportion to the respective unpaid amounts thereof on such Distribution Date;

Fourth: if on any Distribution Date any Letter of Credit remains outstanding, the Corporate Collateral Agent, after making the distributions required by paragraphs "First" through "Third" above, shall hold back and retain in such Collateral Account an amount (which amount shall not be available for making the distributions required under paragraph "Fifth" and "Sixth" below) equal to the aggregate of the Estimated Collateralization Amounts as of such Distribution Date for all such Letters of Credit, as certified to the Corporate Collateral Agent by the Administrative Agent;

Fifth: to the Secured Parties in an amount equal to the costs and expenses and fees of the Secured Parties and all other amounts which are payable thereto under the Secured Documents, whether or not then due and payable; and, in case such moneys shall be insufficient to pay in full such costs, expenses and fees, then, to the payment thereof ratably to the Secured Parties in proportion to the respective unpaid amounts thereof on such Distribution Date; and

Sixth: provided that all of the Secured Obligations have been paid and performed in full and all Letters of Credit terminated, any surplus then remaining (after giving effect to clause Fourth above, to the extent applicable) shall be paid to the Company and the Collateral Grantors or their respective successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 4.05. Calculations. In making the determinations and allocations required by Section 4.04, the Corporate Collateral Agent may rely on a certificate supplied by the Administrative Agent as to the amounts payable with respect to the obligations referred to in clauses "Second" through "Fifth" of Section 4.04 or, in the case of the Mandatory Interest Rate Protection Agreements, by the relevant Bank, and the Corporate Collateral Agent shall have no liability to any of the Secured Parties, the Company or the Collateral Grantors for actions taken in reliance on such information. If the Administrative Agent or a Bank, as the case may be, shall fail to supply such information upon request by the Corporate Collateral Agent, distributions hereunder shall be established by the Corporate Collateral

Agent on the basis of the information available to it and the Corporate Collateral Agent shall have no liability or responsibility for any shortfall or excess in amounts distributed on the basis thereof.

## ARTICLE V

### COVENANTS AND AGREEMENTS WITH THE COLLATERAL AGENTS

SECTION 5.01. Delivery of Documents. Within 30 days after the date hereof, the Company shall deliver to the Corporate Collateral Agent true and complete copies of each of the Secured Documents. The Company agrees that, promptly upon the execution thereof, it shall deliver to the Corporate Collateral Agent true and complete copies of all Secured Documents entered into by it and any other Collateral Grantors subsequent to the date hereof. The Company further agrees that, promptly upon the execution thereof, it shall deliver to the Corporate Collateral Agent a true and complete copy of any and all amendments, modifications or supplements entered into by it and any other Collateral Grantors subsequent to the date hereof to any document or instrument evidencing any of the Secured Obligations or in connection with any Collateral Document.

SECTION 5.02. Information as to Secured Parties. The Company shall furnish to the Corporate Collateral Agent within 30 days after the date hereof a list setting forth (i) the name and address of each party to whom notices must be sent under the Credit Documents and (ii) promptly upon receipt thereof any changes or additions to such lists.

SECTION 5.03. Compensation and Expenses. The Company agrees to pay to the Collateral Agents and any co-, sub- and separate collateral agents, from time to time, upon demand, (i) reasonable compensation for their services hereunder and under the Collateral Documents and for administering the Collateral, and (ii) all of the fees, costs and expenses of the Collateral Agents and such co-, sub- and separate collateral agents (including, without limitation, the reasonable fees and disbursements of their counsel and such special counsel as each of them elect to retain) (x) arising in connection with the preparation, execution, delivery, administration, modification, restatement, amendment or termination of this Agreement and each other Collateral Document or the performance or enforcement (whether in the context of a civil action, adversary proceeding, workout or otherwise) of any of the provisions hereof or



thereof or (y) incurred or required to be advanced in connection with the administration of the Collateral, any release of the Collateral as provided in Article VII hereof, the sale or other disposition of the Collateral pursuant to this Agreement or any other Collateral Document and the preservation, protection or defense of the rights or the Collateral Agents, and such co-, sub- and separate collateral agents, under this Agreement or any other Collateral Document or in and to the Collateral except as otherwise provided in any Collateral Document.

SECTION 5.04. Stamp and Other Similar Taxes. The Company agrees to indemnify and hold harmless the Collateral Agents and each Secured Party from any present or future claim for liability for any stamp, transfer, mortgage or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with this Agreement, any other Collateral Document, the Collateral or the creation, attachment perfection or recording of a security interest or other Lien granted to the Collateral Agents or such co-, sub- or separate collateral agents with respect to any of the Collateral.

SECTION 5.05. Filing Fees, Excise Taxes, etc. The Company agrees to pay or to reimburse the Collateral Agents and any co-, sub- or separate collateral agents for any and all amounts in respect of all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts which may be payable or determined to be payable in respect of the preparation, execution, delivery, administration, modification, restatement, amendment or termination of this Agreement and each other Collateral Document or the performance or enforcement of any of the provisions hereof or thereof and agrees to save the Collateral Agents and any co-, sub- or separate collateral agents harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 5.06. Indemnification. (a) The Company agrees to indemnify and hold the Collateral Agents and any co-, sub- or separate collateral agents and their officers, employees, agents and representatives harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the preparation, execution, delivery, administration, modification, restatement, amendment or termination of this Agreement and each other Collateral Document or the

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performance or enforcement of any of the provisions hereof or thereof, unless arising from the gross negligence or willful misconduct of the indemnified party or its officers, employees, agents or representatives as are seeking indemnification.

(b) In any suit, proceeding or action brought by any Collateral Agent or any co-, sub- or separate collateral agent or any Secured Party under or with respect to the Collateral or any of the Collateral Documents for any sum owing thereunder, or to enforce any provisions thereof, the Company and each Collateral Grantor will save, indemnify and keep the Collateral Agents and any co-, sub- or separate collateral agents and Secured Parties harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the obligee thereunder, arising out of a breach by the Company or any Collateral Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Company or any Collateral Grantor, and all such obligations of the Company or any Collateral Grantor shall be and remain enforceable against and only against the Company or such Collateral Grantor and shall not be enforceable against the Collateral Agents, the co-, sub- or separate collateral agents or the Secured Parties.

SECTION 5.07. Insurance. The Company will comply and will cause each of the Collateral Grantors to comply, with each of the requirements of Article III of the Deed of Trust, Article III of the Mortgage, Section 11 of the Security Agreement and Section 5.03(b) of the Master Facility Agreement.

SECTION 5.08. Further Assurances. At any time and from time to time, upon the written request of the Collateral Agents, or either of them, and at the expense of such Collateral Grantor, each Collateral Grantor will promptly execute and deliver any and all such further instruments and documents and take such further action as the Collateral Agents, or either of them, reasonably deem necessary or advisable in obtaining the full benefits of this Agreement and the Collateral Documents and of the rights, remedies and powers herein and therein conferred or reserved, including, without limitation, the filing of any financing or continuation statement under the Uniform Commercial Code in effect in any jurisdiction, with respect to the liens and security interests granted thereby. Each Collateral Grantor also

hereby authorizes the Collateral Agents, or either of them, to file any such financing or continuation statement without the signature of such Collateral Grantor to the extent permitted by applicable law.

## ARTICLE VI

### THE COLLATERAL AGENTS

SECTION 6.01. Appointment and Authorization; Exculpatory Provisions. (a) The Administrative Agent and the Managing Agents hereby appoint and authorize the Collateral Agents, or either of them, to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Collateral Documents as are delegated to the Collateral Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

(b) Neither the Collateral Agents nor the directors, officers, agents or employees of the Corporate Collateral Agent shall be responsible in any manner whatsoever for the correctness of any recitals, statements, representations or warranties of the Company or any Collateral Grantor contained in the Master Facility Agreement or any Collateral Document or the performance or observance of any of the covenants or agreements of the Company or such Collateral Grantor contained therein. The Collateral Agents make no representations as to the value or condition of the Collateral or any part thereof, or as to the title of the Company or any Collateral Grantor thereto or as to the security afforded by this Agreement or the other Collateral Documents, or as to the validity, execution (except its own execution), enforceability, legality or sufficiency of this Agreement or any other Collateral Document or any other instrument or writing furnished in connection therewith or of the Secured Obligations secured hereby or thereby or the perfection or priority of any Lien created hereunder or under any Collateral Document, and neither Collateral Agent shall incur any liability or responsibility in respect of any such matter except, in the case of acts or omissions of such Collateral Agent not consistent with the terms of this Agreement and the other Collateral Documents resulting in the invalidity, release or termination of any such Lien or the loss of perfection or impairment of the priority thereof. The Collateral Agents shall not be responsible for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the

maintenance of the Collateral, except that, if a Collateral Agent enters into possession of a part or all of the Collateral, such Collateral Agent shall, subject to Section 3.06 hereof, use reasonable care to preserve the part of the Collateral in its possession.

(c) Neither Collateral Agent shall be liable for any action taken or omitted to be taken by it in accordance with this Agreement and any other Collateral Document except for the gross negligence or willful misconduct of such Collateral Agent.

(d) Except in the case of its own gross negligence or willful misconduct, neither Collateral Agent shall be liable for any error of judgment made in good faith by its officers, employees, agents or representatives.

(e) The permissive rights of the Collateral Agents to take or not take actions enumerated in this Agreement or any other Collateral Document shall not be construed as a duty, and neither Collateral Agent shall be answerable in taking or not taking such actions for other than its gross negligence or willful misconduct.

(f) Neither Collateral Agent shall be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any written direction of the Administrative Agent and shall not be required to determine the authority of the Administrative Agent to give such direction.

(g) No provision of this Agreement or any other Collateral Document shall require either Collateral Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liabilities is not reasonably assured to it.

(h) Each Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which such Collateral Agent accords its own property and ordinary care is exercised by such Collateral Agent in handling any monies or documents evidencing intangible personal property actually received by it.

(i) None of the provisions contained in this Agreement or any other Collateral Document shall in any event require either Collateral Agent to perform, or be responsible for the manner of performance of, any of the obligations of the Company or any Collateral Grantor under any Secured Document.

(j) Notwithstanding anything to the contrary herein, each Collateral Agent shall act or refrain from acting as directed in writing (except as otherwise provided herein) by the Administrative Agent (acting at the direction of the Required Banks, except as otherwise provided herein); and such Collateral Agent shall take no enforcement or foreclosure action, and shall not direct any sub-, co- or separate collateral agent to take any enforcement or foreclosure action, under any Collateral Document except at the written direction of the Administrative Agent (acting at the direction of the Required Banks), except as otherwise provided herein.

SECTION 6.02. Delegation of Duties. Either or both of the Collateral Agents may execute any of the powers granted to it hereunder or under any other Collateral Document and perform any duty hereunder or under any other Collateral Document either directly or by or through agents or attorneys-in-fact. Either or both of the Collateral Agents shall be entitled to advice of counsel concerning all matters pertaining to such powers and duties. Each Collateral Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact selected by either of them without gross negligence or willful misconduct on the part of such Collateral Agent.

SECTION 6.03. Reliance by Collateral Agents. (a) Whenever in connection with the performance of its duties under this Agreement or any other Collateral Document the Collateral Agents, or either of them, shall deem it necessary or desirable that a matter be proved or established with respect to the Company, any Collateral Grantor or any Secured Party in connection with the taking, suffering or omitting of any action hereunder or thereunder by either or both of the Collateral Agents, such matter (unless other evidence in respect thereof is herein specifically prescribed) shall be deemed to be conclusively proved or established by a certificate of an authorized representative of the Company, such Collateral Grantor or such Secured Party, as the case may be, delivered to either or both of the Collateral Agents, and such certificate shall be a full warranty to the Collateral



Agents for any action taken, suffered or omitted in reliance thereon.

(b) Either or both of the Collateral Agents may consult with counsel, appraisers, accountants and other skilled persons, and any written advice of such person shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in accordance therewith. Either or both of the Collateral Agents shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction.

(c) Either or both of the Collateral Agents may rely, and shall be fully protected in acting, upon any resolution, statement, certificate, instrument, opinion, report, notice (electronic, telephonic, written or otherwise), request, consent, order, bond or other paper or document which it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties, or percentage or number thereof, or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of gross negligence or willful misconduct on its part, either of the Collateral Agents may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Collateral Agents and conforming to the requirements of this Agreement or any Collateral Document. The Collateral Agents shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document delivered to either of them by the Company, any other Collateral Grantor, the Administrative Agent, any Managing Agent or any Bank pursuant to this Agreement or any other Collateral Document.

(d) If the Collateral Agents have been requested to take action pursuant to Section 3.04 or Section 6.04, the Collateral Agents shall not be under any obligation to exercise any of the rights, remedies or powers conferred upon or reserved to the Collateral Agents by this Agreement or any other Collateral Document unless the Collateral Agents shall have been provided adequate security and indemnity against the costs, expenses, liabilities, claims, demands or causes of action, from time of assertion and regardless of merit, which may arise therefrom, which may be incurred by it in compliance with such request or direction, including such



reasonable advances as may be requested by the Collateral Agents.

SECTION 6.04. Duties Prior to Notice of Event of Default; Limitations on Duties of Collateral Agents. (a) If at any time the Collateral Agents receive from the Company or any Collateral Grantor any request for any notice, consent, waiver, approval, decision, direction or other action under, or in respect of any right granted to the Collateral Agents in any Collateral Document, the Corporate Collateral Agent shall promptly notify the Administrative Agent of such request (with copies of such notice to the other Managing Agents). Subject to Sections 3.04(b) and (c) and subject in all cases to the right of the Collateral Agents to indemnity and security as set forth in Sections 5.06 and 6.03(d), the Corporate Collateral Agent shall thereafter promptly give such notice, consent, waiver, approval or direction, make such decision or take such action, in each case, as the Administrative Agent (acting at the direction of the Required Banks) shall instruct in writing. Without limiting the generality of the foregoing, upon receipt by the Collateral Agents of written instructions from the Administrative Agent (acting at the direction of the Required Banks), subject to the Collateral Agents' rights to such indemnity and security, the Collateral Agents shall (i) take such action with respect to the Collateral as shall be specified in such instructions; (ii) approve as satisfactory to it all matters as are required by the terms of this Agreement or any other Collateral Document to be satisfactory to, or approved by, it; (iii) execute and file any financing statement (and any continuation statement with respect to any such financing statement) and any recording instrument or other similar instrument or document relating to any Liens created by any Collateral Document as may be specified in such instructions; and (iv) make such requests, accept such instruments, agreements, documents, certificates, and writings and give and demand such notices under this Agreement and the other Collateral Documents as may be specified in such instructions.

(b) The Collateral Agents shall make available for inspection and copying by the Administrative Agent and the Managing Agents each certificate or other paper furnished to the Collateral Agents by the Company or any Collateral Grantor under or in respect of this Agreement, any other Collateral Document or any of the Collateral.

SECTION 6.05. Application and Distribution of Monies. All monies received by the Collateral Agents under or pursuant to any provision of this Agreement or any other

Collateral Document shall be applied and distributed in accordance with the terms of this Agreement or such other Collateral Document to the extent applicable.

SECTION 6.06. Resignation and Removal of the Collateral Agents. (a) The Collateral Agents, or either of them, may at any time, by giving 90 days' prior written notice to the Company and the Administrative Agent (with copies of such notice to the other Managing Agents), resign and be discharged of the responsibilities hereby created, such resignation to become effective (i) the appointment of a successor Collateral Agent by the Administrative Agent (acting at the direction of the Managing Agents) and the acceptance of such appointment by such successor Collateral Agent or (ii) if no such successor has been appointed within 90 days after the giving of such notice, upon the appointment of a successor Collateral Agent as provided below. The Corporate Collateral Agent may, at any time by an instrument in writing executed solely by the Corporate Collateral Agent, remove the Individual Collateral Agent and appoint a successor to such Individual Collateral Agent. The Collateral Agents, or either of them, may be removed at any time and a successor Collateral Agent or Collateral Agents appointed by the Administrative Agent (acting at the direction of the Managing Agents); provided, that the Collateral Agents shall be entitled to their fees and expenses to the date of removal. If no successor Collateral Agent shall be appointed and accept such appointment within 90 days from the date of such notice of such resignation or removal, the retiring Collateral Agent may appoint a successor Collateral Agent satisfying the requirements of Section 6.07. If a successor Collateral Agent does not take office within 90 days after the notice of resignation or removal of the Collateral Agent, the retiring Collateral Agent, the Administrative Agent (acting at the direction of the Managing Agents) or, if neither of the two preceding parties shall have acted, the Company may petition any court of competent jurisdiction for appointment of a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent to which it has succeeded and the retiring Collateral Agent shall be discharged from such duties and obligations hereunder. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of this Agreement, shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent hereunder.

(b) Upon any resignation or removal of a Collateral Agent as provided in Section 6.06(a), the former Collateral Agent agrees (which agreement shall survive such resignation or removal) promptly to assign each Collateral Document to the successor Collateral Agent hereunder, and to execute and assist in the recordation, filing or registration of any deeds, conveyances, mortgages, deeds of trust, trust deeds, assignments, financing statements or other instruments as such successor Collateral Agent, the Administrative Agent or any Managing Agent may reasonably require in connection with such assignment.

SECTION 6.07. Status of Successors to the Corporate Collateral Agent. Except as permitted by Section 6.06, every successor to the Corporate Collateral Agent appointed pursuant to Section 6.06 or 6.07 shall be a bank or trust company in good standing and having power so to act, incorporated under the laws of the United States or any state thereof or the District of Columbia, and shall also have capital, surplus and undivided profits of not less than \$50,000,000, if there be such an institution (with such capital, surplus and undivided profits) willing, qualified and able to accept the appointment upon reasonable or customary terms, and shall also be a qualified financial source under the New Jersey Gaming Regulations, and meet the Suitability Standards.

SECTION 6.08. Merger of the Corporate Collateral Agent. Any corporation into which the Corporate Collateral Agent shall be merged, or with which it shall be consolidated, or any corporation resulting from any merger or consolidation to which the Corporate Collateral Agent shall be a party, shall be the Corporate Collateral Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto.

SECTION 6.09. Powers of Individual Collateral Agent. The Individual Collateral Agent has been joined as a party hereunder and under certain of the Collateral Documents so that if, by any present or future law in any jurisdiction in which it may be necessary to perform any act in the execution of the rights, remedies, powers or duties hereby created or under any of the Collateral Documents, the Corporate Collateral Agent may be incompetent or unqualified to act as Corporate Collateral Agent, then all the acts required to be performed in such jurisdiction, in the execution of the trusts hereby created or under any of the Collateral Documents, shall and will be performed by the Individual Collateral Agent, acting alone. Therefore, notwithstanding any

other term or provision hereof or of any Collateral Document to the contrary, the Corporate Collateral Agent alone shall have and exercise the rights, remedies and powers conferred upon or reserved to the Collateral Agents herein and in each of the Collateral Documents and shall be solely charged with the performance of the duties herein and therein declared on the part of the Collateral Agents, or either of them, to be had and exercised or to be performed, provided that if the Corporate Collateral Agent deems it necessary or advisable for the Individual Collateral Agent to act in a particular jurisdiction, the Individual Collateral Agent shall have and exercise the rights, remedies and powers conferred upon or reserved to the Collateral Agents herein and therein and shall be charged with the performance of the duties herein and therein declared on the part of the Collateral Agents, or either of them, to be had and exercised or to be performed, but only in such particular jurisdiction.

SECTION 6.10. Co-Collateral Agents; Separate Collateral Agents. (a) If at any time or times it shall be necessary or prudent in order to conform to any law of any jurisdiction in which any of the Collateral shall be located, or the Corporate Collateral Agent shall be advised by counsel, satisfactory to it and to the Administrative Agent (acting at the direction of the Managing Agents), that it is necessary or prudent in the interest of the Administrative Agent, the Managing Agent or the Banks, then the Corporate Collateral Agent, the Company, each of the Collateral Grantors having an interest in the Collateral located in the State in which such separate or sub-collateral agent or co-collateral agent is to act and the Administrative Agent (acting at the direction of the Managing Agents) shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company, or one or more individuals approved by the Corporate Collateral Agent, the Company (which approval shall not be unreasonably withheld or delayed) and the Administrative Agent (acting at the direction of the Managing Agents), either to act as co-collateral agent or co-collateral agents jointly with the Corporate Collateral Agent originally named herein or any successor or successors, or to act as a separate or sub-collateral agent or agents of the Corporate Collateral Agent and the Secured Parties in respect of any or all of the Collateral. If the Company and each of the Collateral Grantors having an interest in the Collateral located in the State in which such separate or sub-collateral agent or co-collateral agent is to act shall not have joined in the execution of such instruments or agreements within 10 days after the receipt of a written request from the Corporate

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Collateral Agent so to do, or if a Period of Default shall be continuing, the Corporate Collateral Agent may act under the foregoing provisions of this Section 6.10 without the concurrence of the Company, and the Company and each of the Collateral Grantors hereby irrevocably appoint the Corporate Collateral Agent as their agent and attorney to act for them under the foregoing provisions of this Section 6.10 in either of such contingencies. Any co-collateral agent or separate or sub-collateral agent appointed to act with respect to a Casino Property shall be a qualified financial source under the New Jersey Gaming Regulations and meet the Suitability Standards, as applicable.

(b) Every separate or sub-collateral agent (and all references herein to a "separate collateral agent" shall be deemed to refer also to a "sub-collateral agent" or a "collateral sub-agent") and every co-collateral agent, other than any collateral agent which may be appointed as successor to any Collateral Agent, shall, to the extent permitted by applicable law, be appointed and act and be such, subject to the following provisions and conditions, namely:

(i) all rights, remedies, powers, duties and obligations conferred upon, reserved to or imposed upon the Collateral Agents in respect of the custody, control and management of monies, papers or securities shall be exercised solely by the Collateral Agents hereunder;

(ii) all rights, remedies, powers, duties and obligations conferred upon, reserved to or imposed upon the Collateral Agents hereunder shall be conferred, reserved or imposed and exercised or performed by the Collateral Agents and such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents, jointly or severally, as shall be provided in the instrument appointing such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Collateral Agents shall be incompetent or unqualified to perform such act or acts, in which event such rights, remedies, powers, duties and obligations shall be exercised and performed by such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents;

(iii) no power given hereby to, or which it is provided hereby may be exercised by, any such separate



collateral agent or separate collateral agents or co-collateral agent or co-collateral agents shall be exercised hereunder by such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents except (subject to applicable law) jointly with, or with the consent or at the direction in writing of, the Collateral Agents;

(iv) all provisions of Article V and VI hereof relating to the Collateral Agents shall apply to any such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents;

(v) all of the provisions of Article VII hereof relating to releases by the Collateral Agents shall apply to any such separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents;

(vi) no collateral agent constituted under this Section 6.10 shall be personally liable by reason of any act or omission of any other separate or co-collateral agent or the Collateral Agents hereunder; and

(vii) the Company, each of the Collateral Grantors, the Collateral Agents and the Administrative Agent (acting at the direction of the Managing Agents), at any time by an instrument in writing, executed by them jointly, may accept the resignation of or remove any such separate collateral agent or co-collateral agent, and in that case, by an instrument in writing executed by the Company, each of the Collateral Grantors, the Collateral Agents and the Administrative Agent (acting at the direction of the Managing Agents) jointly, may appoint a successor to such separate collateral agent or co-collateral agent, as the case may be, anything herein contained to the contrary notwithstanding. If the Company and each of the Collateral Grantors shall not have joined in the execution of any such instrument within 10 days after the receipt of a written request from the Collateral Agents so to do, or if a Period of Default shall be continuing, the Collateral Agents, acting at the direction of the Administrative Agent (acting at the direction of the Managing Agents) shall have the power to accept the resignation of or remove any such separate collateral agent or co-collateral agent and to appoint a successor to such separate collateral agent or co-collateral agent, as the case may be, and to execute any such instrument without the

concurrence of the Company, and the Company and each of the Collateral Grantors hereby irrevocably appoint the Collateral Agents their agent and attorney to act for them in such connection in either of such contingencies. If the Collateral Agents shall have appointed a separate collateral agent or separate collateral agents or co-collateral agent or co-collateral agents as above provided, the Collateral Agents, acting at the direction of the Administrative Agent (acting at the direction of the Managing Agents) may at any time, by an instrument in writing, accept the resignation of or remove any such separate collateral agent or co-collateral agent, the successor to any such separate collateral agent or co-collateral agent to be appointed by the Company and each of the Collateral Grantors and the Collateral Agents, or by the Collateral Agents alone, as hereinabove provided in this Section 6.10.

(c) Notwithstanding any other provision of this Section 6.10, the Collateral Agents shall not appoint any separate collateral agent or co-collateral agent without the consent of the Administrative Agent (acting at the direction of the Managing Agents).

## ARTICLE VII

### RELEASE OF COLLATERAL; ADDITIONAL COLLATERAL; DETERMINATION OF APPRAISED VALUE

SECTION 7.01. Conditions to Release in Full. The Collateral shall be released from the Liens created by the Collateral Documents in full in the manner, at the time and subject to the conditions provided in Sections 7.03 and 7.04 hereof if, at such time, (i) all of the Secured Obligations shall have been paid, performed and satisfied in full, (ii) all of the Commitments shall have been terminated, (iii) the Letters of Credit shall have terminated or been surrendered to the relevant Issuing Banks for cancellation, (iv) all amounts payable under the Mandatory Interest Rate Protection Agreements shall have been paid in full, and (v) all fees, costs and expenses of the Collateral Agents hereunder shall have been paid in full. The Collateral may be otherwise released from the Liens created by the Collateral Documents in full at the direction of the Administrative Agent (acting at the direction of the Banks acting unanimously in their sole discretion).

SECTION 7.02. Conditions to Partial Release. (a) Subject to the conditions in this Section and Sections 7.03 and 7.04, if at any time after March 1, 1993 the Appraised Value of the Casino Properties shall result in a Commitment to Value Ratio of less than 50%, provided that no Default shall have occurred and be continuing and that all of the requirements set forth in Section 7.04 of the Deed of Trust or Mortgage, as applicable, shall have been fulfilled, at the request of the Company, the Collateral Agents, acting at the direction of the Administrative Agent (acting at the direction of the Required Banks, including at least four of the Managing Agents) shall release from the Collateral one or more of the Casino Properties and the Related Collateral with respect thereto (but shall not be required to release only a part of a Property), which Property or Properties shall be selected by the Company and be acceptable to the Administrative Agent (acting at the direction of the Required Banks, including at least four of the Managing Agents, acting in their sole discretion), provided that after any such release, the remaining Collateral shall be satisfactory to the Administrative Agent (acting at the direction of the Required Banks acting in their sole discretion) and have an Appraised Value which is sufficient to maintain a Commitment to Value Ratio of not higher than 55%. Notwithstanding the foregoing or anything to the contrary in the following paragraph, if the Casino Property in question is owned by an Eligible Subsidiary which is a Borrower under the Term Facility Agreement, such Property shall not be eligible to be released pursuant to this Section so long as any Bank has any Commitment under such Facility Agreement or any amount remains unpaid under such Facility Agreement.

(b) Subject to the conditions in this Section and Sections 7.03 and 7.04, but notwithstanding anything to the contrary in Section 2.13 of the Deed of Trust or the Mortgage, as the case may be, or Section 12 of the Security Agreement, provided that no Default shall have occurred and be continuing, that no Casino Property has theretofore been released from the Collateral, and that all of the requirements set forth in Section 7.04 of the Deed of Trust or Mortgage, as applicable, shall have been fulfilled, in connection with any sale of a Casino Property or any refinancing of any of the Facilities, the Company may obtain a release from the Collateral of (i) either of the Reno Property or the Lake Tahoe Property (but not both) determined at the Company's election, or (ii) subject to the consent of the Administrative Agent (acting at the direction of the Required Banks, including at least four of the Managing Agents, acting

in their sole discretion) any other Casino Property, provided in the case of (i) or (ii) above, that:

(x) (1) in the case of a sale of such Casino Property, such sale shall be a bona fide sale to a non-affiliated third party for a price (all payable in cash at the closing of such sale) of at least 90% of the Appraised Value of such Casino Property;

(2) in the case of a refinancing of any of the Facilities, such refinancing is a bona fide refinancing with a non-affiliated third party and the proceeds of such refinancing shall be in an amount which shall result in a loan to value ratio higher than 65% and also higher than the Commitment to Value Ratio at the time of such refinancing (such loan to value ratio being the amount of such refinancing divided by the Appraised Value of the Property in question);

(y) all of the proceeds of such sale or refinancing shall be paid upon the closing of such sale or refinancing directly to the Administrative Agent pursuant to Section 2.03 of the Master Facility Agreement to be applied as provided in said Section; and

(z) after application of such proceeds as provided in said Section 2.03 of the Master Facility Agreement and the reduction of the Commitments under the Facilities, the remaining Casino Properties (1) shall have an Appraised Value sufficient to maintain a Commitment to Value Ratio of not greater than 55%, and (2) in the case of a release under clause (ii) above, the remaining Collateral shall be otherwise satisfactory to the Administrative Agent (acting at the direction of the Required Banks, including all of the Managing Agents, acting in their sole discretion).

(c) Subject to the conditions in this Section and Sections 7.03 and 7.04, but notwithstanding anything to the contrary in the applicable mortgage, deed of trust or deed to secure debt, provided that no Default shall have occurred and be continuing and that all of the requirements for a release in the applicable mortgage, deed of trust or deed to secure debt, shall have been fulfilled, in connection with any sale of any Embassy Property or Additional Hotel Property, the Company may obtain a release from the Collateral of any Embassy Property or Additional Hotel Property, provided that all of the proceeds of such sale shall be paid upon the closing of such sale directly to the Administrative Agent



pursuant to Section 2.11 of the Revolving Facility Agreement to be applied as provided in said Section.

(d) Provided that no Default shall have occurred and be continuing, any portion of the Security Agreement Collateral which may be disposed of pursuant to Section 17 of the Security Agreement shall be released from the Lien created by the Security Agreement when it is properly disposed of in accordance with Section 17 of the Security Agreement.

(e) Any other portion of the Collateral may be otherwise released from the Liens created by the Collateral Documents at the direction of the Administrative Agent (acting at the direction of the Required Banks, including all of the Managing Agents, acting in their sole discretion).

SECTION 7.03. Procedure for Release. (a) The Company may at any time deliver to the Administrative Agent a Collateral Release Request (with copies thereof to the other Managing Agents), which shall certify in writing that the Company intends in good faith to satisfy each of the conditions referred to in Section 7.01, if such Collateral Release Request relates to a release pursuant to said Section 7.01, or in Section 7.02, if such Collateral Release Request relates to a release pursuant to said Section 7.02, as of the date specified therein (with respect to such Collateral Release Request, the "Release Date") and with respect to the Collateral specified therein (with respect to such Collateral Release Request, the "Specified Collateral"). A Collateral Release Request shall not specify a Release Date earlier than 30 days (21 days in the case of a Collateral Release Request relating to an Embassy Property or an Additional Hotel Property) after the date of receipt of such Collateral Release Request by the Administrative Agent. A Collateral Release Request relating to a release of Collateral pursuant to Section 7.02(a) or (b) shall include a request by the Company to the Administrative Agent for a determination of the Appraised Value of the Casino Properties pursuant to Section 7.07.

(i) In the case of any Collateral Release Request relating to a release of Collateral pursuant to Section 7.01, within 15 days after the Administrative Agent's receipt of such Collateral Release Request, the Administrative Agent shall begin, or cause to be begun, at the expense of the Company, the preparation of the instruments and documents necessary to release the Specified Collateral as of the Release Date, and shall



notify the Collateral Agents in writing of such Release Date and instruct the Collateral Agents therein to begin, or cause to be begun, at the expense of the Company, the preparation of any such instruments and documents to be prepared by the Collateral Agents.

(ii) In the case of any Collateral Release Request relating to a release of Collateral pursuant to Section 7.02 (a) or (b), the Release Date shall be postponed to occur promptly, but in no event longer than 30 days, after the later to occur of (A) the date on which the Administrative Agent receives the Appraised Value Determination pursuant to Section 7.07(d), or (B) the date on which the Administrative Agent receives the Appraised Value Determination pursuant to Section 7.07(e); and, if the Company shall be entitled to a release of Collateral under the provisions of Section 7.02(a) or (b), as the case may be, promptly after the later to occur of (A) or (B) above, the Administrative Agent shall begin, or cause to be begun, at the expense of the Company, the preparation of the instruments and documents necessary to release the Casino Property and Related Collateral in question, and shall notify the Collateral Agents in writing of such Release Date and instruct the Collateral Agents therein to begin, or cause to be begun, at the expense of the Company, the preparation of any such instruments and documents to be prepared by the Collateral Agents.

(iii) In the case of a Collateral Release Request pursuant to Section 7.02(c), the Release Date shall occur promptly, but in no event longer than 21 days after the Administrative Agent's receipt of the Collateral Release Request; and, promptly after the Administrative Agent's receipt of such Collateral Release Request, the Administrative Agent shall promptly begin, or cause to be begun, at the expense of the Company, the preparation of the instruments necessary to release the Embassy Property or Additional Hotel Property in question as of the Release Date specified in this sentence, and shall notify the Collateral Agents in writing of such Release Date and instruct the Collateral Agents therein to begin, or cause to be begun, at the expense of the Company, the preparation of such instruments and documents to be prepared by the Collateral Agents.

(b) The Collateral Agents shall release all or a portion of the Collateral under the Collateral Documents as

specified in a written instruction and certificate by the Administrative Agent stating that each of the conditions contained or referred to in Section 7.01 or 7.02, as applicable, this Section 7.03 and Section 7.04 have been satisfied (a "Collateral Release Instruction"). If and when the conditions contained or referred to in Section 7.01 or 7.02, as applicable, this Section 7.03 and Section 7.04 have been satisfied, the Administrative Agent shall deliver such a certificate to the Collateral Agents (and contemporaneously send a copy thereof to each of the Managing Agents) (i) in the case of Collateral to be released pursuant to Section 7.02, on the later of the applicable Release Date and the first date on which the conditions set forth in Sections 7.02 and 7.04 have been satisfied, and (ii) in the case of Collateral to be released pursuant to Section 7.01, concurrently with satisfaction of the conditions contained in Sections 7.01 and 7.04.

(c) Notwithstanding anything in this Agreement to the contrary, unless the Collateral Agents receive from the Administrative Agent a Collateral Release Instruction, the Collateral Agents shall refrain from taking any action to release any of the Collateral then held by the Collateral Agents from the Liens created by the Collateral Documents unless and until the Collateral Agents shall have received a final, non-appealable order of a court of competent jurisdiction either directing it to release all or a portion the Collateral then held by it from the Liens created by the other Collateral Documents or determining that the conditions to the release of all or a portion of the Collateral specified or referred to in Section 7.01 or 7.02, as the case may be, this Section 7.03 and Section 7.04 have been satisfied.

(d) Notwithstanding anything in this Agreement to the contrary, (i) in each instance in which the Collateral Agents act under this Agreement at the direction of the Administrative Agent or refrain from acting at the direction of or in the absence of direction from the Administrative Agent, the Collateral Agents shall have no liability to the Company or any Collateral Grantor for their action or inaction, unless they shall have received a final, non-appealable order of a court of competent jurisdiction directing the action in question or determining that all of the conditions for such action have been satisfied; (ii) in each instance in which the Administrative Agent acts under this Agreement at the direction of the Managing Agents, the Required Banks or the Banks, as the case may be, or refrains from acting at the direction of or in the absence of direction from the Managing

Agents, the Required Banks or the Banks, as the case may be, the Administrative Agent shall have no liability to the Company or any other Collateral Grantor for its action or inaction as Administrative Agent, unless it shall have received a final, non-appealable order of a court of competent jurisdiction directing the action in question or determining that all of the conditions for such action have been satisfied; and (iii) in each instance in this Agreement in which it is provided that the Required Banks or the Banks, as the case may be, may act in their sole discretion, the Banks shall have no duty to act in a reasonable manner and shall have no liability to the Company or any other Collateral Grantor for the exercise or a failure to exercise such discretion in a reasonable manner.

(e) Notwithstanding the foregoing provisions of this Section, as long as no Period of Default shall have occurred and be continuing, the Company shall not be obligated to deliver a Collateral Release Request with respect to any Security Agreement Collateral disposed of in accordance with the provisions of Section 17 of the Security Agreement.

SECTION 7.04. Effective Time of Release. (a) Each document effecting a release of Collateral (each a "Release Document") shall effect a release of Collateral only upon the later of (i) the Release Date specified in the Collateral Release Request to which such Release Document relates, (ii) the satisfaction of each of the conditions contained or referred to in Section 7.01 or 7.02, as the case may be, Section 7.03 and this Section, (iii) the receipt of an opinion of counsel reasonably satisfactory to the Administrative Agent (acting at the direction of the Managing Agents) provided at the expense of the Company as to such matters of law, if any, concerning the satisfaction of the conditions referred to in clause (ii) above as the Administrative Agent or any Managing Agent may reasonably request, and (iv) the payment by the Company of the reasonable expenses of the Administrative Agent, the Managing Agents the Banks and the Collateral Agents in connection with the Collateral Release Request to which such Release Document relates and the execution, delivery, recording and filing of such Release Document.

(b) When the release of any Collateral is effective pursuant to paragraph (a) of this Section, the Liens on such Collateral created by such Collateral Documents shall terminate and all rights to such Collateral shall revert to the Company, each of the Collateral Grantors and each of

their respective successors and assigns. Upon any termination of any Liens created by the Collateral Documents or the release of any of the Collateral, the Collateral Agents and the Administrative Agent (acting at the direction of the Managing Agents) will, at the expense of the Company, execute and deliver such further documents as the Company may reasonably request to evidence the termination of such Liens or the release of such Collateral.

(c) Notwithstanding the foregoing provisions of this Section, as long as no Default shall have occurred and be continuing, the Security Agreement Collateral disposed of in accordance with Section 17 of the Security Agreement shall be deemed to be released when so disposed.

SECTION 7.05. Termination of Master Collateral Agreement. Unless the Final Release Date shall have earlier occurred and the Collateral shall have been effectively released in full, this Agreement and the Liens in respect of the Collateral shall terminate and shall be of no further force or effect upon the sale or other final disposition by the Collateral Agents of all Collateral and the final distribution by the Collateral Agents of all monies or other property or Proceeds constituting part of the Collateral in accordance with the terms of Article IV hereof; otherwise this Agreement and the Liens in respect of Collateral shall continue in full force and effect in accordance with the terms hereof.

SECTION 7.06. Additional Collateral. (a) Pursuant to Section 5.29(a) of the Master Facility Agreement, the Company has covenanted to grant or cause each Subsidiary which holds title to the Embassy Properties described in said Section to grant Liens on such Properties to the Collateral Agents or to sub-, co- or separate collateral agents hereunder.

(b) Pursuant to Section 5.29(b) of the Master Facility Agreement, the Company has covenanted to grant or cause each Subsidiary which holds title to the Additional Hotel Properties to grant Liens on such Properties to the Collateral Agents or to sub-, co- or separate collateral agents hereunder.

(c) The Company hereby covenants and agrees that, so long as any Bank has any Commitment under any of the Facility Agreements or any amount remains unpaid under any Secured Document, if at any time the Commitment to Value Ratio (as determined at any time on the basis of the most



recent Appraised Value Determination) is in excess of 60%, within 30 days after the date on which the Commitment to Value Ratio exceeds 60% (i.e. the date of the Appraised Value Determination which results in a Commitment to Value Ratio which exceeds 60%), the Company shall cause Additional Collateral satisfactory to the Administrative Agent (acting at the direction of the Required Banks acting in their sole discretion) sufficient to attain a Commitment to Value Ratio of 55% or lower to be transferred to the Collateral Agents, pursuant to paragraph (d) of this Section, provided that such Additional Collateral shall consist of (x) cash in legal tender of the United States of America or Eligible Investments of the type set forth in clause (i) of the definition of the term "Eligible Investments" (in the Master Facility Agreement) to the Collateral Agents, (y) Eligible Investments (other than Eligible Investments of the type referred to in clause (x) above), or (z) Additional Properties satisfactory to the Administrative Agent (acting at the direction of the Required Banks acting in their sole discretion).

(d) Upon any transfer of Additional Collateral to the Collateral Agents, the Collateral Agents shall have a valid, first-priority, perfected Lien on such Additional Collateral. Upon any transfer of Additional Collateral, the Collateral Agents shall have received such deeds to secure debt, security agreements, financing statements and similar instruments as the Administrative Agent (acting at the direction of the Managing Agents) shall require. Upon any transfer of Additional Collateral under paragraph (a) or (c) of this Section, the Collateral Agents shall have received such mortgages, deeds of trust, title insurance and other insurance policies, certificates and financing statements and legal opinions as the Administrative Agent (acting at the direction of the Managing Agents acting in their sole discretion) may require, all in form, substance and, where applicable, rendered by parties satisfactory to the Administrative Agent (acting at the direction of the Managing Agents acting in their sole discretion).

SECTION 7.07. Determination of Appraised Value.

(a) General. As used herein, the term "Appraised Value" means:

(i) with respect to any Casino Property, the fair market value of such Property and the Security Agreement Collateral relating thereto as an operating casino/hotel business, that is the price which a willing buyer would pay and a willing seller would accept in an arms-length purchase and sale transaction free and clear of all Liens securing



Debt for such Property and the Security Agreement Collateral relating thereto as an operating casino/hotel business, provided that, (1) in the case of the Las Vegas Property, the Appraised Value of that Property shall reflect such value as the lesser of (aa) the value with the right to operate the hotel as a Holiday Inn, minus the estimated cost of transferring the license to use the Holiday Inn system to a new licensee as reasonably estimated by the Company, subject to the reasonable approval of the Administrative Agent (acting at the direction of the Managing Agents), and (bb) the value without the right to operate the hotel as a Holiday Inn, minus the estimated cost of terminating the existing license to use the Holiday Inn system and changing the name of the hotel as reasonably estimated by the Company, subject to the reasonable approval of the Administrative Agent (acting at the direction of the Managing Agents); and (2) in the case of the Atlantic City Property the Appraised Value of that Property shall reflect the value as encumbered by the matters described in Section 2.02(d) of the Mortgage and Schedule B to the Title Policy (as defined in the Mortgage); and

(ii) with respect to any Additional Property, the fair market value of such Property and any Security Agreement Collateral relating thereto as an operating business, that is the price which a willing buyer would pay and a willing seller would accept in an arms-length purchase and sale transaction free and clear of all Liens securing Debt for such Property and the Security Agreement Collateral relating thereto as an operating business.

(b) Appraised Value Determination. As used herein, the term "Appraised Value Determination" means a determination of the Appraised Value of the Casino Properties or, in the case of Additional Properties granted as Collateral under Section 7.06, a determination of the Appraised Value of such Additional Properties, in each case, determined as hereinafter provided either (i) by a single appraiser appointed and acting as provided in paragraph (c) below, or (ii) by a board of three appraisers appointed and acting as provided in paragraph (d) below, as the case may be.

(c) Appraisal Process. (i) So long as any Bank has any Commitment under any of the Facility Agreements or any amount remains unpaid under any Secured Document:

(A) The Administrative Agent (1) shall promptly after receipt of a Collateral Release Request from the Company pursuant to Section 7.02, (2) shall, at the request of any Managing Agent in the event of a Casualty

or Condemnation with respect to any Casino Property, (3) shall, at the request of any Managing Agent (made under this clause (3) not more often than once in any 12-month period as to all Managing Agents) and (4) shall, at the request of all Managing Agents at any other time, obtain an appraisal of the Casino Properties by American Appraisal Associates or another appraiser designated by the Administrative Agent (acting at the direction of the Managing Agents) upon not less than 15 days prior notice to the Company with the consent of the Company, (which consent shall not be unreasonably withheld or delayed, and which consent shall be deemed given if it is not denied by a notice stating the reasons for such denial given within 15 days after the Company's receipt of the Administrative Agent's notice designating such other appraiser). An appraiser acting under clause (1) of this clause (A) shall determine the Appraised Value of the Casino Properties as of the date of the Collateral Release Request in question. An appraiser acting under clause (2), (3) or (4) of this clause (A) shall determine the Appraised Value of such Properties as of the date of his appointment by the Administrative Agent.

(B) The Company may, at any other time, obtain an appraisal of the Casino Properties or any Additional Properties which it proposes to grant as Additional Collateral by an appraiser designated under clause (A) above or another appraiser designated by the Company upon not less than 15 days prior written notice to the Administrative Agent (with a copy of such notice to the other Managing Agents) with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed, and which consent shall be deemed given if it is not denied by a notice stating the reasons for such denial given within 15 days after the Administrative Agent's receipt of the Company's notice designating such other appraiser). An appraiser acting under this clause (B) shall determine the Appraised Value of such Casino Properties (or Additional Properties) as of the date of his appointment by the Company.

(C) If (1) the Company timely denies its consent to the designation of an appraiser by the Administrative Agent under clause (A) above, or (2) the Administrative Agent timely denies consent to the designation of an appraiser by the Company under clause (B) above, or (3) the Administrative Agent (acting at the direction of the

Required Banks, or at least four of the Managing Agents, acting in their sole discretion) or the Company is not satisfied with the form, substance or Appraised Value reflected in the appraisal report prepared by an appraiser designated under clause (A) or (B) above, whether or not such party who is not satisfied appointed such appraiser, the Appraised Value of the Properties in question as of the date specified in said clause (A) or (B), as the case may be, shall be determined by a board of three appraisers, one appointed by the Company, one appointed the Administrative Agent (acting in its sole discretion) and a third appointed by the first two appraisers as hereinafter provided.

(D) In each case under this Section 7.07 in which the Administrative Agent is to take action with respect to its satisfaction with an appraisal report, (x) in the case of an annual appraisal, the report shall be approved unless the Required Banks, including at least four of the Managing Agents, acting in their sole discretion state that they are dissatisfied with such appraisal report, and (y) in the case of an appraisal in connection with a Collateral Release Request, the report shall be approved if the Required Banks, or at least four of the Managing Agents, state that they are satisfied with such appraisal report.

(ii) In order to qualify for appointment hereunder, an appraiser shall be a member of the American Institute of Real Estate Appraisers (or its successor), shall have experience in appraising casino/hotel properties similar to the Properties in question, and shall have no direct or indirect financial or other business interest in the Company, any of its Subsidiaries, any Managing Agent or any of the Banks or any affiliate of any of them. In the event that the Company or the Administrative Agent (acting at the direction of the Required Banks acting in their sole discretion) is not satisfied with the appraisal report prepared by an appraiser designated under clause (A) or (B) above, such appraiser and other appraisers affiliated with such appraiser shall not qualify for appointment as the third appraiser under clause (C) above.

(d) Single Appraiser. Unless (i) the Company timely denies its consent to the designation of an appraiser by the Administrative Agent under clause (i)(A) of paragraph (c) above, or (ii) the Administrative Agent timely denies consent to the designation of an appraiser by the Company under clause (i)(B) of paragraph (c) above, an appraiser

designated by the Administrative Agent or the Company under clause (i)(A) or (B) of paragraph (c) above, as the case may be, shall appraise the Properties in question as of the date specified in clause (i)(A) or (B) above, as the case may be, and notify the Administrative Agent and the Company of his determination of the Appraised Value of such Properties in question as of such date, which notice shall be accompanied by a copy of his appraisal report. Such appraisal shall state the separate Appraised Values of each of the Properties in question and the Appraised Value of all of the Properties in question shall be the aggregate of such separate Appraised Values. Such appraiser's determination of the Appraised Values of the Properties in question shall be binding upon the Company and the Administrative Agent for the purposes of this Agreement and shall be the Appraised Value Determination hereunder (and the date specified in said clause (i)(A) or (B), as the case may be, shall be the date of such Appraised Value Determination hereunder), (x) unless, within 30 days after its receipt of such notice and appraisal report, either the Company or the Administrative Agent (acting at the direction of the Required Banks, or at least four of the Managing Agents, acting in their sole discretion), notifies the other party that it is not satisfied with such appraisal report, in which case the Appraised Value of the Properties in question shall be determined by a board of three appraisers as hereinafter provided, or (y) unless and until the Company or the Administrative Agent, (acting at the direction of the Required Banks, or at least four of the Managing Agents, acting in their sole discretion), again calls for an appraisal pursuant to paragraph (c) of this Section, provided that neither the Company nor the Administrative Agent shall do so for a period of 90 days after the as of date of such Appraised Value Determination.

(e) Board of Appraisers. If (i) the Company or the Administrative Agent timely denies its consent to the designation of an appraiser by the other party under clause (i)(A) of paragraph (c) above, or (ii) the Administrative Agent (acting at the direction of the Required Banks, including at least four of the Managing Agents, acting in their sole discretion) or the Company is not satisfied with the form, substance or Appraised Values reflected in the appraisal report prepared by a single appraiser designated under clause (i)(A) or (B) of paragraph (c) above and acting under paragraph (d) above, whether or not such single appraiser was designated by the party who is not so satisfied, then, either the Administrative Agent or the Company (the "first party") may call for the appointment of a board of three appraisers by notice to the other party (the "second



party") given not later than 30 days after the later to occur of (x) the date on which the first party received the second party's notice denying its consent to the designation of an appraiser by the second party, or (y) the date on which the first party received such single appraisers notice and appraisal report under paragraph (d) above. The first party shall appoint its appraiser in its notice calling for a board of appraisers under this paragraph (e). The second party shall appoint its appraiser by notice given to the first party within 30 days after the first party's notice calling for a board of appraisers and appointing the first party's appraiser under this paragraph. If the second party fails to appoint an appraiser within such 30-day period, the second party shall have no further right to appoint an appraiser and the appraiser appointed by the first party shall act as the appraiser pursuant to paragraph (d) above, except that clause (i) of said paragraph (d) shall not be applicable. The appraisers appointed by the first party and the second party shall select the third appraiser within 20 days after the appointment of the appraiser appointed by the second party. If the first two appraisers are unable to agree on a third appraiser within such 20-day period, such third appraiser shall be appointed by the president of the American Institute of Real Estate Appraisers (or its successor) upon application made by either the Company or the Administrative Agent upon notice to the other. If the president of the American Institute of Real Estate Appraisers (or its successors) refuses to appoint such third appraiser, such third appraiser shall be appointed pursuant to the rules of the American Arbitration Association (or its successor). The three appraisers appointed pursuant to this paragraph shall appraise the Properties in question as of the date specified in clause (i)(A) or (B) of paragraph (c) above, and notify the Administrative Agent and the Company of their determinations of the Appraised Values of the Properties in question, which notices shall be accompanied by their appraisal reports. Such appraisals shall state the separate Appraised Values of each of the Properties in question and the Appraised Value of all of the Properties in question shall be the aggregate of the averages of such separate Appraised Values determined by the three appraisers, provided that, if the value determined by any appraiser with respect to any Property in question shall be less than 90% or more than 110% of the middle of the three values with respect to such Property (and, if two values shall be identical they shall be deemed to be the middle value), such value shall be increased to 90% of the middle value or decreased to 110% of the middle value, as the case may be, for the purpose of this sentence. Such appraisers' determinations of the Appraised Values of



the Properties in question averaged as provided in the preceding sentence, shall be binding upon the Company and the Administrative Agent for the purposes of this Agreement and shall be the Appraised Value Determination hereunder (and the date specified in said clause (i)(A) or (B), as the case may be, shall be the date of such Appraised Value Determination hereunder), unless and until the Company or the Administrative Agent again calls for an appraisal pursuant to paragraph (c) of this Section, provided that neither the Company nor the Administrative Agent shall have the right to do so for a period of 90 days after the date of such Appraised Value Determination.

(f) Costs and Procedure. The Company shall pay for (i) the cost of any appraisal obtained by the Company under clause (B) of paragraph (c) of this Section, (ii) the cost of any appraisal obtained by the Administrative Agent under clause (A)(1), (2) or (3) of paragraph (c) of this Section, and (iii) the cost of any board of three appraisers appointed under paragraph (e) of this Section. The appraisers' determinations of the Appraised Values of the Properties in question shall be in writing and signed by them, and counterpart originals thereof shall be delivered to the Company, the Administrative Agent and the other Managing Agents. In making their appraisals hereunder and rendering their opinions as to the Appraised Values of the Properties in question, the appraisers shall make their appraisals in the same manner as other real estate appraisals, shall not hold hearings in connection therewith and shall have no power to amend, modify or otherwise vary any provision of this Agreement. If (i) in the case of paragraph (d) of this Section, the appraiser does not render his appraisal report within 90 days after his appointment, or (ii) in the case of paragraph (e) of this Section, the three appraisers do not render their appraisal reports within 90 days after the appointment of the third appraiser, then, at any time prior to the time such appraiser(s) render his (their) reports, either the Company or the Administrative Agent (acting at the direction of the Required Banks, including at least four of the Managing Agents), may institute a suit, action or proceeding in any court of competent jurisdiction to determine the matter in question, provided that such delay is not caused by the party instituting such suit, action or proceeding or an appraiser appointed by such party.

SECTION 7.08. No Other Required Releases. Except as expressly provided in this Article VII, and notwithstanding anything to the contrary in any Credit Document, the Collateral Agents, the Administrative Agent, the Managing

Agents and the Banks shall not be required to release or cause the release of the Collateral from, and the Collateral shall not be released from, the Liens created by the Collateral Documents.

## ARTICLE VIII

### MISCELLANEOUS

SECTION 8.01. Amendments, Modifications, Supplements, Waivers and Consents. (a) Any provision of this Agreement may be amended, modified, supplemented or waived from time to time by the written agreement of the Administrative Agent (acting with the consent of the Required Banks, except in the case or a provision hereof requiring unanimous action by the Banks, in which case such amendment, modification, supplement or waiver shall require the unanimous consent of the Banks), the Collateral Agents (acting with the direction of the Administrative Agent, acting with the consent of the Required Banks, the Company and each of the Collateral Grantors. Any such amendment, modification, supplement, waiver or consent shall be binding upon the Company, each of the other Collateral Grantors and the Secured Parties and their respective successors and assigns. Any change which adversely affects the creditors under the Mandatory Interest Rate Protection Agreements, as a class (which does not apply in the same way to other Secured Parties), shall require the consent of such creditors.

(b) The Administrative Agent shall not enter into or consent to any amendment or supplement to, or agree to waive any terms or conditions of, the Deed of Trust, the Mortgage or any other Collateral Document, and no such amendment, supplement or waiver shall be effective, unless such amendment, supplement or waiver has been agreed to in writing by the Administrative Agent (acting with the consent of the Required Banks, except in the case or a provision hereof or thereof requiring unanimous action by the Banks, in which case such amendment, modification, supplement or waiver shall require the unanimous consent of the Banks).

SECTION 8.02. Notices. All notices, requests, demands, and other communications provided for or permitted hereunder shall be in writing (including telex and telecopy communications) and shall be sent by mail, telex, telecopier or hand delivery

(i) in the case of the Administrative Agent, to it at One World Trade Center, Suite 9651, New York, New York 10048, Attention: Letter of Credit Department (telecopier no. 212-524-0612; telex no. 125790), with copies to the other Managing Agents;

(ii) in the case of the Managing Agents:

(A) in the case of Credit Lyonnais, to it at 95 Wall Street, New York, New York 10005, Attention: General Counsel, telecopier no. 212-804-2675, telex no: 423493, with copies to the Administrative Agent and the other Managing Agents;

(B) in the case of Bankers Trust Company, to it at 280 Park Avenue, New York, New York 10007, Attention: Acquisition and Structured Finance Group, telecopier no. 212-850-2941, telex no: N.A., with copies to the Administrative Agent and the other Managing Agents;

(C) in the case of The Bank of New York, to it at 1 Wall Street, 17th Floor, Southeast Division, New York, New York 10286, Attention: David Stueber, telecopier no. 212-635-6399, telex no: N.A., with copies to the Administrative Agent and the other Managing Agents;

(D) in the case of Citibank, N.A., to it at 399 Park Avenue, Floor 6, Zone 4, New York, New York 10043, Attention: Scott Vallar, telecopier no. 212-758-6278, telex no: N.A., with copies to the Administrative Agent and the other Managing Agents;

(iii) in the case of the Company and each Collateral Grantor, to the Company at 1023 Cherry Road, Memphis, Tennessee 38117, Attention: Secretary (telecopier no. 901-762-8735; telex no. 530708), with a copy to Harrah's, 300 East Second Street, Reno, Nevada 89504, Attention: General Counsel (telecopier no. 702-788-2604); and

(iv) in the case of the Collateral Agents to them at Wilmington Trust Company, Rodney Square North, Wilmington Delaware 19890, Attention: Corporate Trust Administration (telecopier no. 302-651-8464, telex no. 835437 Answer Back: WILMTRUST).

All such notices, requests, demands and communications shall be effective upon delivery.

SECTION 8.03. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 8.04. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 8.05. Additional Collateral Grantors. The Company agrees to cause each Subsidiary that shall, at any time after the date hereof, become a Material Subsidiary or which is otherwise required to execute any Collateral Document to enter into this Agreement and to transfer any Collateral owned by it to the Collateral Agents pursuant to Section 7.06(d) (not later than 20 days after the date on which such Person shall have become a Material Subsidiary).

SECTION 8.06. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and shall inure to the benefit of the Secured Parties and their respective successors and assigns, and nothing herein or in any Collateral Document is intended or shall be construed to give any other Person any right, remedy or claim under, to or in respect of this Agreement, any other Collateral Document or the Collateral.

SECTION 8.07. Governing Law. Except as otherwise required by mandatory provisions of applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflicts of law; provided that the provisions of this Agreement setting forth the rights, duties, obligations and responsibilities of the Collateral Agents hereunder shall be governed by and construed in accordance with the laws of the State of Delaware, so long as Wilmington Trust Company shall serve as Corporate Collateral Agent or William J. Wade shall serve as Individual Collateral Agent hereunder.

SECTION 8.08. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

SECTION 8.09. Survival. The provisions of Sections 5.03 through 5.06 shall survive the termination of this Agreement.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective duly authorized officers as of the date first above written.

Company:

EMBASSY SUITES, INC.,

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

Collateral Grantors:

EMBASSY SUITES, INC.

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

HARRAH'S

By: 

Name: James E. Butler  
Title: Vice President

HARRAH'S CLUB

By: 

Name: James E. Butler  
Title: Vice President

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HARRAH'S RENO HOLDING  
COMPANY, INC.

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

HOLIDAY CASINO, INC.

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

HARRAH'S LAUGHLIN, INC.

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

MARINA ASSOCIATES,  
a New Jersey partnership

By: HARRAH'S NEW JERSEY, INC.,  
a New Jersey corporation,  
General Partner

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

By: HARRAH'S ATLANTIC CITY, INC.,  
a New Jersey corporation,  
General partner

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

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CASINO HOLDING COMPANY

By: James E. Butler  
Name: James E. Butler  
Title: Vice President

HARRAH'S ATLANTIC CITY, INC.

By: James E. Butler  
Name: James E. Butler  
Title: Secretary

HARRAH'S NEW JERSEY, INC.

By: James E. Butler  
Name: James E. Butler  
Title: Secretary

HAMPTON INNS, INC.

By: Stephen H. Brammell  
Name: Stephen H. Brammell  
Title: Assistant Secretary

HOMEWOOD SUITES, INC.

By: Stephen H. Brammell  
Name: Stephen H. Brammell  
Title: Assistant Secretary

HOLIDAY EQUITY DEVELOPMENT  
CORPORATION

By: Stephen H. Brammell  
Name: Stephen H. Brammell  
Title: Assistant Secretary

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EMBASSY DEVELOPMENT CORPORATION

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

EMBASSY EQUITY DEVELOPMENT CORPORATION

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

HOMEWOOD SUITES EQUITY DEVELOPMENT CORPORATION

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

HAMPTON INN EQUITY DEVELOPMENT CORPORATION

By: 

Name: Stephen H. Brammell  
Title: Assistant Secretary

Administrative Agent:

THE SUMITOMO BANK, LIMITED,  
NEW YORK BRANCH

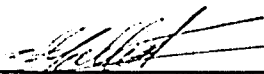
By: 

Name: Suresh S. Tata  
Title: Vice President


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Managing Agents:


CREDIT LYONNAIS NEW YORK BRANCH

By:   
Name: J.L. Galliot  
Title: Senior Vice President

CREDIT LYONNAIS CAYMAN ISLAND  
BRANCH

By:   
Name: J.L. Galliot  
Title: Authorized Signator

THE SUMITOMO BANK, LIMITED,  
NEW YORK BRANCH

By:   
Name: Suresh S. Tata  
Title: Vice President

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THE BANK OF NEW YORK

By: David S. Andrews  
Name: David S. Andrews  
Title: Vice President

BANKERS TRUST COMPANY

By: David S. Bailey  
Name: David S. Bailey  
Title: Managing Director

CITIBANK, N.A.

By: Dimity J. Giles  
Name: Dimity J. Giles  
Title: Vice President

Collateral Agents:

WILMINGTON TRUST COMPANY  
in its limited capacity as  
Corporate Collateral Agent

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
William J. Wade  
in his limited capacity as  
Individual Collateral Agent

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BANK OF NEW YORK

By: \_\_\_\_\_  
Name:  
Title:

BANKERS TRUST COMPANY

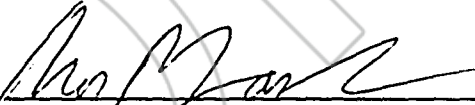
By: \_\_\_\_\_  
Name:  
Title:


CITIBANK, N.A.

By: \_\_\_\_\_  
Name:  
Title:

Collateral Agents:

WILMINGTON TRUST COMPANY  
in its limited capacity as  
Corporate Collateral Agent

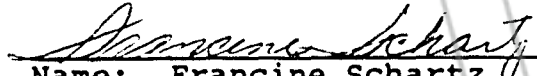
By:   
Name: Thomas P. Laskaris  
Title: Vice President

  
William J. Wade  
in his limited capacity as  
Individual Collateral Agent

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The undersigned, the collateral agent under the Old Master Collateral Agreement, hereby consents to the foregoing Amended and Restated Master Collateral Agreement.

VALLEY BANK OF NEVADA,  
a Nevada corporation

  
Name: Francine Schartz  
Title: Vice President

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BOOK 290 PAGE 3107

ACCEPTANCE OF APPOINTMENT

CENTRAL JERSEY BANK & TRUST COMPANY, a New Jersey bank having an address at P.O. Box 786, Freehold, New Jersey 07728 (the "Collateral Sub-Agent"), hereby accepts its appointment as Collateral Sub-Agent under the aforementioned Master Collateral Agreement, as supplemented by the foregoing Supplement No. 2, and agrees to act as Collateral Sub-Agent under and pursuant to said Master Collateral Agreement, subject to the terms and conditions thereof. The Collateral Sub-Agent represents that it is a qualified financial source under the Gaming Regulations (as such term is defined in the Master Facility Agreement).

CENTRAL JERSEY BANK & TRUST  
COMPANY

By: 

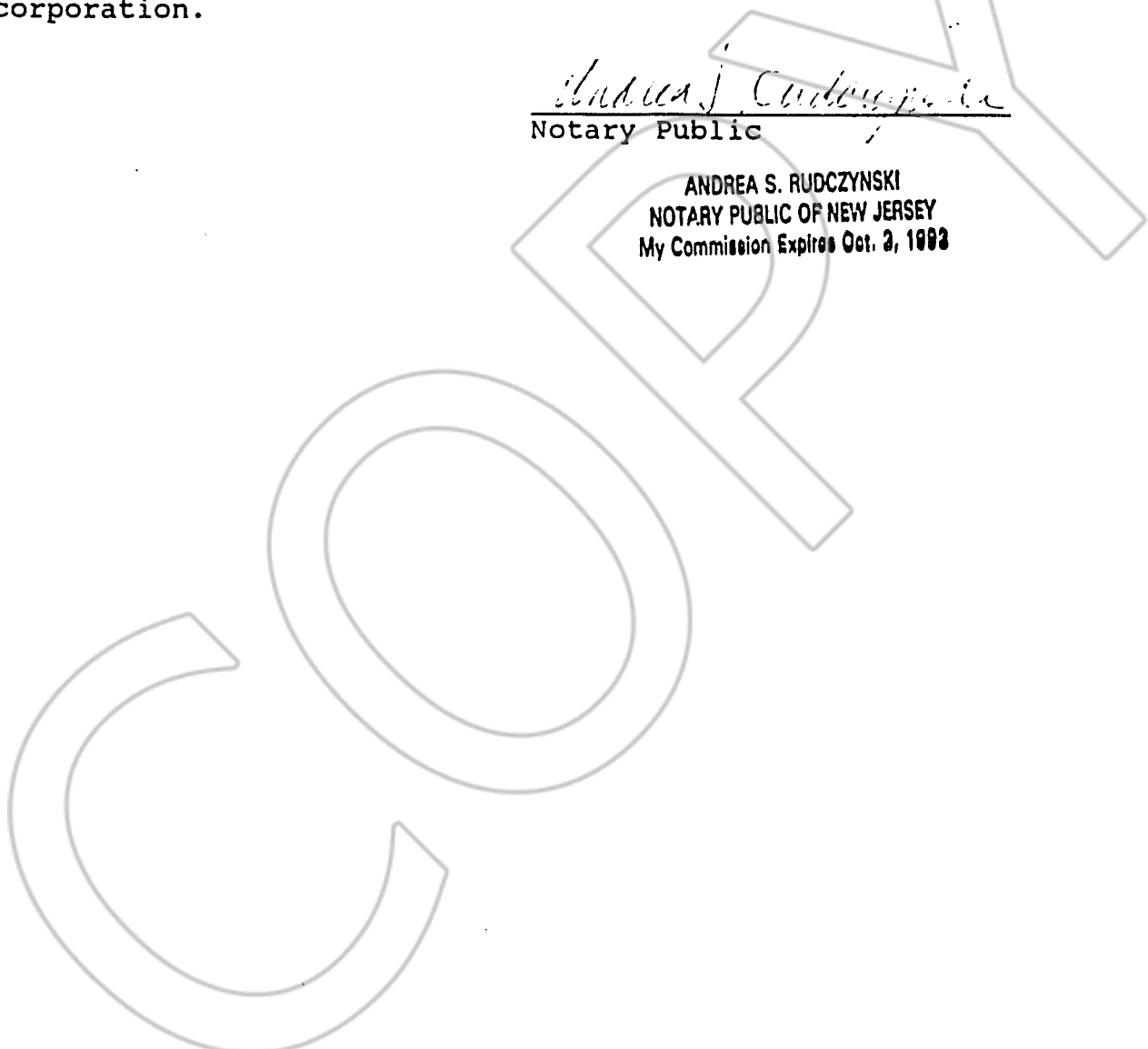
Name: Kenneth E. Dulow  
Title: Vice President &  
Senior Trust Officer

COUNTY OF MONMOUTH )  
 :  
 STATE OF NEW JERSEY ) ss.

On the 22<sup>nd</sup> day of February, 1990, before me personally came KENNETH E. DULOW who, being by me duly sworn, did depose that he resides at RT 9 FREEHOLD, N.J.; that he is the VICE PRESIDENT of CENTRAL JERSEY BANK & TRUST COMPANY, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of said corporation.

Andrea S. Rudczynski  
Notary Public

ANDREA S. RUDCZYNSKI  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Oct. 2, 1993



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Schedule I  
to  
Master Collateral  
Agreement

Guidelines Concerning Additional  
Collateral Letter of Credit Banks

Irrevocable letters of credit which may be drawn up to and including the Termination Date shall be acceptable for purposes of Section 7.02(a) of the Master Collateral Agreement or for purposes of the definitions of "Collateralization Deposit" or "Covenant Sinking Fund" contained in the Reimbursement Agreement if issued by a bank or trust company of one of the following type: a bank or trust company which maintains a branch or agency in the United States and which has, or which is owned and controlled by a holding company which has, outstanding securities of which it is the sole obligor rated at least AA or its equivalent by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or such other rating agency acceptable to the LC Issuer).

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BOOK 290 PAGE3110

EXHIBIT I

Events of Default

SECTION 6.01. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) (i) any principal of any Loan shall not be paid when due, (ii) any amounts in reimbursement of any draws under any Letter of Credit or any interest accrued under any of the Facilities shall not be paid within 3 days of the date when due or (iii) any fees or other amounts payable under the Credit Documents shall not be paid within five days after notice has been given to the Company by any Bank;

(b) any Obligor shall fail to observe or perform any covenant or agreement of such Obligor contained in Sections 5.04 and 5.07-5.30 (inclusive) of this Agreement; Sections 3.03(a), 5.01 or 7.06 of the Master Collateral Agreement; Sections 6-12 (inclusive) of the Security Agreement; Section 15 of the Pledge Agreements or Section 2.09(b)(iii), 2.13, 3.03(iii) or (v) or 3.05(iii) of any of the Deed of Trust or Mortgage;

(c) any Obligor shall fail to observe or perform any covenant or agreement contained in the Credit Documents (other than those covered by clause (a) or (b) above) for 30 days after written notice thereof has been given to the Company by the Administrative Agent or any Bank;

(d) any representation, warranty, certification or statement made or deemed made by any Obligor in any Credit Document or in any certificate, financial statement or other document delivered pursuant to the Credit Documents shall prove to have been incorrect in any material respect when made or deemed made;

(e) any Credit Document shall at any time for any reason cease to be binding on any Obligor that is a party thereto, or shall be declared to be

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invalid or null and void or the validity or enforceability thereof shall be contested by any Obligor that is a party thereto or such party shall deny that it has any or further liability or obligation under such Credit Document, any subordination provision contained in the Subordinated Debt (or any indenture related thereto) shall be declared to be invalid or null and void or the Banks shall not be entitled to the benefits of such subordination provisions;

(f) the Parent or any of its Subsidiaries shall fail to make any payment in respect of any Material Debt (other than Debt under the Facilities) when due or within any applicable grace period;

(g) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt or enables (or, with the giving of notice or lapse of time or both, would enable) the holder of such Debt or any Person acting on such holder's behalf to accelerate the maturity thereof, or any Default (as defined in the relevant Assumed Public Debt Indenture with respect to the Assumed Public Debt or any instrument or instruments governing the terms of any other Subordinated Debt) shall occur under the Subordinated Debt;

(h) a material adverse change in the business, financial condition or results of operations of the Company (on a consolidated basis) or the Parent (on a consolidated basis) shall occur;

(i) a Condemnation or Casualty shall occur which reduces the Appraised Value of the Collateral (as determined as provided in the Master Collateral Agreement), after taking into account any Awards or Insurance Proceeds held by the Collateral Agents as Collateral, such that the Commitment to Value Ratio is increased to more than 60%, unless Additional Collateral is transferred to the Collateral Agent pursuant to Section 7.06 of the Master Collateral Agreement within 30 days after such Condemnation or Casualty;

(j) the Parent or any of its Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or

other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall admit in writing its inability to pay its debts as they become due, or shall take any corporate or partnership action to authorize any of the foregoing;

(k) an involuntary case or other proceeding shall be commenced against the Parent or any of its Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days or shall be consented to by the Parent or such Material Subsidiary; or an order for relief shall be entered against the Parent or any of its Material Subsidiaries under the federal bankruptcy laws as now or hereafter in effect;

(l) other than pursuant to the terms of the Master Collateral Agreement, the Liens created by the Collateral Documents shall cease at any time and for any reason to constitute valid and perfected Liens on the Collateral, subject to no prior or equal Lien other than the Permitted Collateral Liens;

(m) a judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against any Obligor or any Material Subsidiary and such judgment or order shall continue unsatisfied and unstayed for a period of 10 days;

(n) any Gaming Authority having jurisdiction shall have determined that the Parent or any of its

Subsidiaries that is required to be qualified under the Gaming Regulations is not qualified, or that the qualification or license of any of them with respect to any Property should be revoked, not renewed or suspended for more than 30 days; or any such Gaming Authority shall have appointed a conservator, supervisor or trustee to oversee any of the operations of any of them;

(o) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commissions under said Act) of 20% or more of the outstanding shares of capital stock of the Parent having ordinary voting power for the election of directors of the Parent; or, during any period of 24 consecutive calendar months, a majority of the board of directors of the Parent does not consist of individuals who were (i) directors of the Parent on the first day of such period, (ii) directors who were selected or whose nomination for election was approved by a vote of at least a majority of the directors then still in office referred to in clause (i) above, or (iii) directors who were selected or whose nomination for election was approved by a vote of at least a majority of the board consisting of directors then still in office described in clauses (i) and (ii) above or this clause (iii);

(p) there is, after the date hereof, any amendment of or supplement to the Note Indenture or any other agreement or instrument relating to the respective rights and obligations of any or all of Holiday, Holiday Corporation, the Indenture Trustee and any holder of the Notes with respect to the Notes or the Note LC, without the prior consent of the Required Banks (other than any amendment which provides for a substitution of an alternate letter of credit or other arrangement providing support for payment of principal and interest on the Notes and the guarantees of such payment by Holiday Corporation which does not increase the obligations of the LC Issuer with respect to such payments); or

(q) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in



excess of \$1,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$1,000,000;

then, and in every such event and at any time thereafter during the continuance of such event, unless theretofore waived in writing by the Required Banks, the Administrative Agent shall, at the request of the Required Banks, or may, with the consent of the Required Banks, take any one or more of the following actions at the same or different times by notice to the Company or the Collateral Agents (which notice may be oral if immediately confirmed in writing, including facsimile or telex; provided that the lack of such an immediate confirmation shall not affect the conclusiveness and binding effect of such notice):

(I) terminate the Commitments (which termination shall not, however, affect the obligations of any Issuing Bank to pay drawings under a Letter of Credit previously issued in accordance with the provisions thereof or the obligations of the Banks with respect to the LC Participations in such Letters of Credit), whereupon the Commitments shall terminate without demand or further notice of any kind, all of which are hereby expressly waived by each Borrower;

(II) give notice to the Company of such event (the "Collateralization Notice", which notice shall contain a statement that it is a Collateralization Notice pursuant to this Agreement); and if the Company fails to make a Collateralization Provision with respect to the Note LC within the Col-

lateralization Period, the Administrative Agent may upon the expiration of such Collateralization Period, in its sole discretion and without limiting any rights or remedies at law or in equity, immediately give notice (the "Acceleration Notice", which notice shall contain a statement that it is an Acceleration Notice) to the Indenture Trustee that an Event of Default has occurred and is continuing and instruct the Indenture Trustee to accelerate the maturity of the Notes;

(III) declare the Promissory Notes (together in each case with accrued interest thereon) to be, and the Promissory Notes shall thereupon become, immediately due and payable, all without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Borrower;

(IV) demand that each Borrower pay forthwith all other amounts due under the Facilities by such Borrower, whereupon the same shall forthwith become due and payable by such Borrower without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower;

(V) demand that the Company make a Collateralization Provision with respect to Revolver Letters of Credit, if any; or

(VI) cause the Collateral Agents to exercise or continue to exercise its rights with respect to the Collateral pursuant to the Collateral Documents;

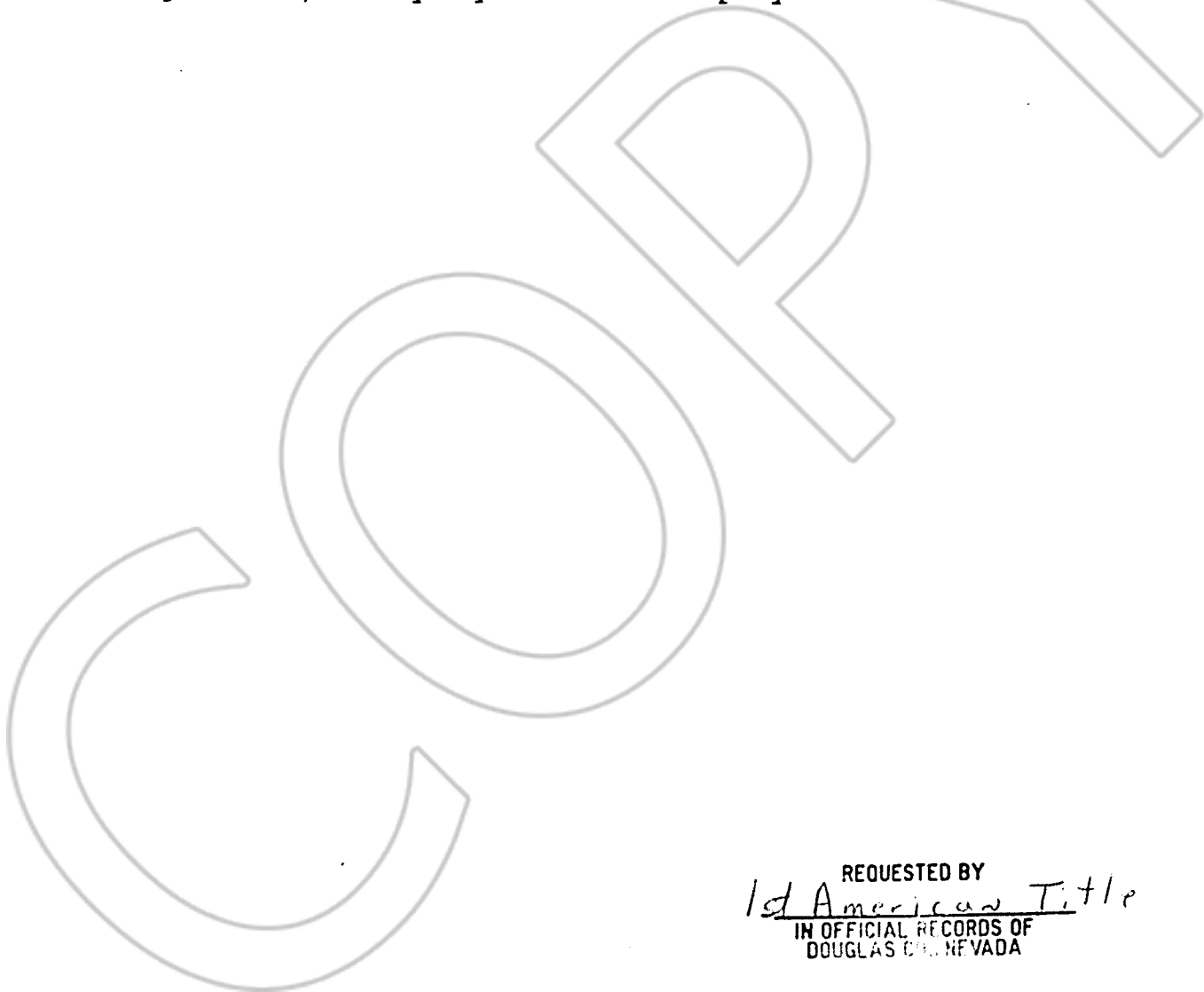
provided that in the case of any of the Events of Default specified in paragraph (j) or (k) above with respect to any Borrower:

(X) without any notice to any Borrower or any other act by the Administrative Agent or the Banks, the Commitments shall terminate (which termination shall not, however, affect the obligations of any Issuing Bank to pay drawings under a Letter of Credit previously issued in accordance with the terms thereof or the obligations of the Banks with respect to LC Participations in such Letters of Credit) and the Promissory Notes (together with

accrued interest thereon) and all other amounts due under the Credit Documents shall become immediately due and payable; and

(Y) the Administrative Agent shall have the immediate right to give an Acceleration Notice to the Indenture Trustee (which notice shall be deemed given whether or not it is received by the addressee);

without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Borrower. The remedies herein provided in case of an Event of Default shall not be deemed to be exclusive but shall be cumulative and shall be in addition to all other remedies existing at law, in equity or in bankruptcy.



REQUESTED BY  
*1st American Title*  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

'90 FEB 21 P1:36

SUZANNE BLAUDREAU 220486  
RECORDER  
*\$218* PAID *K12* DEPUTY  
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