

**UNIFORM COMMERCIAL CODE—FINANCING STATEMENT CHANGE—FORM N-UCC-2 STATE OF NEVADA**  
**IMPORTANT— Read instructions on back before filling out form**

This STATEMENT is presented for filing pursuant to the Nevada Uniform Commercial Code

|  |   |   |   |
|--|---|---|---|
| 1. FILE NO. OF ORIG. FINANCING STATEMENT<br><b>06924</b>   | 1A. DATE OF FILING OF ORIG. FINANCING STATEMENT<br><b>August 30, 1989</b> | 1B. DATE OF ORIG. FINANCING STATEMENT<br><b>August 18, 1989</b> | 1C. PLACE OF FILING ORIG. FINANCING STATEMENT<br><b>Douglas County</b>                    |
| 2. DEBTOR (AS APPEARS ON ORIGINAL FINANCING STATEMENT) (ONE NAME ONLY)<br><input checked="" type="checkbox"/> LEGAL BUSINESS NAME<br><input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST) <b>VERDE', Inc., a Nevada Corporation</b>   |   |   | 2A. SOCIAL SECURITY OR FEDERAL TAX NO   |
| 2B. MAILING ADDRESS (AS APPEARS ON ORIGINAL FINANCING STATEMENT)<br><b>2500 E. 2nd Street</b>  |   | 2C. CITY, STATE<br><b>Reno, Nevada</b>                          | 2D. ZIP CODE<br><b>89502</b>  |
| 3. ADDITIONAL DEBTOR (IF ANY) (ONE NAME ONLY)<br><input type="checkbox"/> LEGAL BUSINESS NAME<br><input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST)   |   |   | 3A. SOCIAL SECURITY OR FEDERAL TAX NO   |
| 3B. MAILING ADDRESS  |   | 3C. CITY, STATE   | 3D. ZIP CODE  |
| 4. ADDITIONAL DEBTOR (IF ANY) (ONE NAME ONLY)<br><input type="checkbox"/> LEGAL BUSINESS NAME<br><input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST)   |   |   | 4A. SOCIAL SECURITY OR FEDERAL TAX NO   |
| 4B. MAILING ADDRESS  |   | 4C. CITY, STATE   | 4D. ZIP CODE  |
| 5. SECURED PARTY<br>NAME <b>Valley Bank of Nevada</b><br>MAILING ADDRESS <b>P.O. Box 20000</b><br>CITY <b>Reno,</b> STATE <b>Nevada</b> ZIP CODE <b>89520-0025</b>   |   |   | 5A. SOCIAL SECURITY NO., FED. TAX NO. OR BANK TRANSIT AND A.B.A. NO.<br><b>94-72/1224</b> |
| 6. ASSIGNEE OF SECURED PARTY (IF ANY)<br>NAME <b>U.S. Small Business Administration</b><br>MAILING ADDRESS <b>P.O. Box 7527 - Downtown Station</b><br>CITY <b>Las Vegas,</b> STATE <b>Nevada</b> ZIP CODE <b>89125</b>   |   |   | 6A. SOCIAL SECURITY NO., FED. TAX NO. OR BANK TRANSIT AND A.B.A. NO.                      |
| 7. A <input type="checkbox"/> CONTINUATION—The original Financing Statement between the foregoing Debtor and Secured Party bearing the file number and date shown above is continued. If collateral is crops or timber, fixtures, or oil, gas or minerals check here <input type="checkbox"/> and insert description of real property on which growing or to be grown or to which affixed or to be affixed or from which to be extracted in Item 8 below. If crops or fixtures, also insert name of record owner of real estate. Effective only if submitted within 6 months prior to expiration date. |   |   |   |
| B <input type="checkbox"/> RELEASE—From the collateral described in the Financing Statement bearing the file number shown above, the Secured Party releases the collateral described in Item 8 below. Release does not terminate debt.   |   |   |   |
| C <input checked="" type="checkbox"/> ASSIGNMENT—The Secured Party certifies that the Secured Party has assigned to the Assignee above named, all or part of the Secured Party's rights under the Financing Statement bearing the file number shown above in the collateral described in Item 8 below.   |   |   |   |
| D <input type="checkbox"/> TERMINATION—The Secured Party certifies that the Secured Party no longer claims a security interest under the Financing Statement bearing the file number shown above.  |   |   |   |
| E <input type="checkbox"/> AMENDMENT—The Financing Statement bearing the file number shown above is amended as set forth in Item 8 below. (Signature of Debtor(s) and Secured Party(ies) required on all amendments)   |   |   |   |
| 8. See Exhibit A attached hereto and made a part hereof by this reference.   |   |   |   |

9. (Date) March 25, 19 91

By: \_\_\_\_\_ (TITLE)

By: [Signature] **Gino Del Carlo** Assistant Vice President (TITLE)  
 \_\_\_\_\_ **Valley Bank of Nevada** (TYPE NAME(S))

10. This Space for Use of Filing Officer (Date, Time, Filing Office)

**247298**

**BOOK 391 PAGE 3347**

11. **Return Copy to**

|                     |                             |
|---------------------|-----------------------------|
| NAME                | Valley Bank of Nevada       |
| ADDRESS             | P.O. Box 20000              |
| CITY, STATE AND ZIP | Reno, NV 89520-0025         |
|                     | N-815-63-3/Stephanie Fricke |

THIS SPACE FOR USE OF FILING OFFICER

All of debtor's inventory and accounts (including but not limited to accounts receivable), work in process, raw materials, contract rights, documents, instruments and chattel paper together with all general intangibles of whatsoever kind and nature (including, but not limited to, trade marks, patents, copyrights, goodwill, customer lists, choses in action); All of debtor's equipment, furniture, and machinery; All of debtor's fixtures; All of the above whether now owned or hereafter acquired, wherever located, used or acquired for use in the business of the debtor and all accessions, substitutions, replacements and parts together with all cash and non-cash proceeds thereof including but not limited to proceeds of policies of insurance and governmental tax refunds. Collateral may be affixed to the existing and/or to be erected improvements owned by Bally's Grand, Inc. and Holiday Inns, Inc. at 2500 E. 2nd Street, Reno, Nevada and Harrah's Lake Tahoe, Stateline, Nevada legally described on Exhibit "B" and "C" attached hereto and made a part hereof by this reference.

COPY

August 18, 1989

E-10

EXHIBIT "A"

PROPERTY DESCRIPTION

Situate in the County of Washoe, State of Nevada, described as follows.

A portion of the South Half (S 1/2) of Section 7 and the North Half (N 1/2) of Section 16, Township 19 North, Range 20 East, M.D.B.&M., and more particularly described as follows.

PARCEL 1:

COMMENCING at the Section corner common to Sections 7, 8, 17, and 18, Township 19 North, Range 20 East, M.D.B.&M. and proceeding South 10°25'59" East, a distance of 99.98 feet to a 1/2 inch diameter pin, said pin being at the Northeast corner of that land conveyed from Matley, et al., to Lee Brothers, in a Deed recorded as Document No. 306898 of the Official Records of Washoe County, Nevada, thence North 89°00'20" West, along the Northerly line of said Parcel, a distance of 663.20 feet to a 1/2 inch diameter iron pin; thence South 00°59'40" West, a distance of 187.77 feet to a 1/2 inch diameter iron pin, thence North 84°35'28" West, a distance of 255.97 feet; thence South 00°54'52" West, a distance of 370.00 feet to a galvanized steel fence post; thence North 54°40'01" West, a distance of 417.82 feet to the TRUE POINT OF BEGINNING; thence South 47°58'37" West, a distance of 479.04 feet to the Northeast corner of a parcel conveyed to Bruno Benna, et al., recorded as Document No. 83899, Official Records of Washoe County, Nevada; thence North 63°47'17" West, along the Northerly line of said Benna Parcel, a distance of 1099.66 feet to the Northeastly corner of Parcel B as shown on Parcel Map No. 341, filed in the Office of Washoe County Recorder on November 10, 1976, File No. 434454; thence South 26°12'43" West, along the Easterly line of said Parcel B, a distance of 266.37 feet; thence South 18°47'17" East, a distance of 28.28 feet to a point on the Northerly right of way line of Mill Street; thence North 63°45'12" West, along said Northerly right of way line, a distance of 80.00 feet; thence North 26°12'43" East, a distance of 286.33 feet to the Northerly line of said Benna Parcel; thence North 63°47'17" West, along the Northerly line of said Benna Parcel, a distance of 300.00 feet; thence South 26°12'43" West, a distance of 286.00 feet to a point on the Northerly right of way line of Mill Street; thence North 63°45'12" West, along the Northerly right of way line of Mill Street, a distance of 236.34 feet to a point on the Easterly right of way line of Interstate 580, thence along the Easterly line of Interstate 580 the following eight (8) courses and distances: 1) North 09°35'12" West, a distance of 352.44 feet; 2) North 03°28'25" West, a distance of 425.16 feet; 3) North 01°27'15" West, a distance of 498.41 feet; 4) North 01°24'29" West, a distance of 434.30 feet; 5) from a tangent which bears North 01°25'43" West, along a circular curve to the right with a radius of 858.06 feet and a central angle of 36°09'39", an arc length of 541.54 feet; 6) from a tangent which bears North 34°43'56" East, along a circular curve to the left with a radius of 900.00 feet and a central angle of 28°28'08", an arc length of 447.19 feet; 7) North 06°15'48" East, a distance of 117.19 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 61.15 feet and a central angle of 83°37'49", an arc length of 89.26 feet to a point on the Southerly line of Glendale Avenue; thence along the Southerly line of Glendale Avenue the following four (4) courses and distances: 1) North 89°53'37" East, a distance of 196.41 feet; 2) North 00°06'01" East, a distance of 4.00 feet; 3) North 89°53'37" East, a distance of 11.17 feet; 4) North 88°15'47" East, a distance of 80.83 feet to a point on the Westerly line of the Watson and Meehan Corporation Property, said point being the Northeastly corner of Parcel No. 1, as shown on the Parcel Map No. 340, filed in the Office of the Washoe County Recorder on November 10, 1976, File No. 434453; thence along the Westerly, Southerly,

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and Easterly lines of said Watson and Meehan Corporation Property the following three (3) courses and distances: 1) South  $00^{\circ}03'26''$  West, a distance of 355.44 feet; 2) South  $89^{\circ}23'54''$  East, a distance of 348.62 feet; 3) North  $00^{\circ}06'54''$  West, a distance of 369.63 feet to a point on the Southerly right of way line of Glendale Avenue, said point being the Northeastly corner of Parcel No. 1, as shown on the Parcel Map No. 336, filed in the Office of Washoe County Recorder on November 10, 1976, File No. 434451, thence North  $88^{\circ}15'47''$  East, along the Southerly right of way line of Glendale Avenue, a distance of 156.65 feet, thence South  $02^{\circ}12'26''$  East, a distance of 4.24 feet to the Northeast corner of a concrete block wall, thence South  $02^{\circ}12'26''$  East, along the Easterly face of said block wall, a distance of 13.05 feet to an angle point in said block wall, thence North  $88^{\circ}00'(X)''$  East, along the Northerly line of said block wall, a distance of 61.31 feet to a chain link fence; thence along said chain link fence the following seventeen (17) courses and distances: 1) South  $88^{\circ}11'39''$  East, a distance of 10.04 feet; 2) South  $79^{\circ}03'32''$  East, a distance of 10.54 feet; 3) South  $70^{\circ}04'49''$  East, a distance of 9.06 feet; 4) South  $56^{\circ}49'14''$  East, a distance of 10.33 feet; 5) South  $52^{\circ}50'44''$  East, a distance of 49.76 feet; 6) South  $49^{\circ}03'52''$  East, a distance of 10.57 feet; 7) South  $38^{\circ}44'07''$  East, a distance of 78.93 feet; 8) South  $41^{\circ}22'31''$  East, a distance of 10.14 feet; 9) South  $48^{\circ}30'40''$  East, a distance of 10.07 feet; 10) South  $54^{\circ}51'13''$  East, a distance of 10.04 feet; 11) South  $59^{\circ}44'33''$  East, a distance of 39.46 feet; 12) South  $50^{\circ}21'30''$  East, a distance of 10.37 feet; 13) South  $39^{\circ}50'48''$  East, a distance of 10.12 feet; 14) South  $31^{\circ}58'(Y)''$  East, a distance of 105.60 feet; 15) South  $20^{\circ}08'58''$  East, a distance of 76.52 feet; 16) South  $34^{\circ}19'30''$  East, a distance of 190.10 feet; 17) South  $14^{\circ}18'18''$  East, a distance of 279.78 feet, thence along a line that is more or less coincident with said chain link fence the following fifteen (15) courses and distances: 1) South  $06^{\circ}44'38''$  East, a distance of 109.36 feet; 2) South  $05^{\circ}15'33''$  East, a distance of 158.53 feet; 3) South  $27^{\circ}57'26''$  East, a distance of 129.07 feet; 4) South  $43^{\circ}19'06''$  East, a distance of 228.10 feet; 5) South  $44^{\circ}58'46''$  East, a distance of 133.07 feet; 6) South  $38^{\circ}23'06''$  East, a distance of 64.06 feet; 7) South  $47^{\circ}16'16''$  East, a distance of 107.92 feet; 8) South  $50^{\circ}51'19''$  East, a distance of 489.05 feet; 9) South  $55^{\circ}41'22''$  East, a distance of 45.51 feet; 10) South  $46^{\circ}38'49''$  East, a distance of 98.99 feet; 11) South  $63^{\circ}54'02''$  East, a distance of 151.28 feet; 12) South  $52^{\circ}31'26''$  East, a distance of 151.08 feet; 13) North  $78^{\circ}53'08''$  East, a distance of 75.55 feet; 14) South  $73^{\circ}47'(Z)''$  East, a distance of 132.04 feet; 15) South  $64^{\circ}35'40''$  East, a distance of 98.66 feet to a point on the Northerly right of way line of Greg Street; thence along the Northerly right of way line of Greg Street the following ten (10) courses and distances: 1) South  $20^{\circ}40'20''$  West, a distance of 294.78 feet; 2) from a tangent which bears South  $47^{\circ}47'59''$  West, along a circular curve to the right with a radius of 750.00 feet and a central angle of  $27^{\circ}10'38''$ , an arc length of 355.75 feet; 3) South  $74^{\circ}58'37''$  West, a distance of 120.67 feet; 4) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of  $31^{\circ}49'47''$ , an arc length of 20.00 feet to a point on compound curvature; 5) along said compound circular curve to the right with a radius of 116.00 feet and a central angle of  $32^{\circ}40'13''$ , an arc length of 66.14 feet; 6) South  $71^{\circ}13'57''$  West, a distance of 50.82 feet; 7) South  $11^{\circ}03'26''$  East, a distance of 8.54 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of  $76^{\circ}26'01''$ , an arc length of 48.02 feet to a point of reverse curvature; 9) along said reverse circular curve to the left with a radius of 604.00 feet and a central angle of  $17^{\circ}23'58''$ , an arc length of 183.42 feet; 10) South  $47^{\circ}58'37''$  West, a distance of 345.48 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM any and all right, title, and interest of the State of Nevada in the Natural bed of the Truckee River below the line of ordinary high water, and also excepting any artificial accretions to said line of ordinary high water.

**PARCEL II:**

COMMENCING at the Section corner common to Sections 7, 8, 17, and 18, Township 19 North, Range 20 East, M.D.B.&M. and proceeding South  $10^{\circ}25'59''$  East, a distance of 99.98 feet to a  $\frac{1}{2}$  inch diameter

pin, said pin being at the Northeast corner of that land conveyed from Mately, et al., to Lee Brothers, in a Deed recorded as Document No. 306898 of the Official Records of Washoe County, Nevada, thence North  $89^{\circ}00'20''$  West, along the Northerly line of said Parcel, a distance of 663.20 feet to a  $\frac{1}{2}$  inch diameter iron pin; thence South  $00^{\circ}59'40''$  West, a distance of 187.77 feet to a  $\frac{1}{2}$  inch diameter iron pin, thence North  $84^{\circ}35'28''$  West, a distance of 24.46 feet to the TRUE POINT OF BEGINNING, thence North  $84^{\circ}35'28''$  West, a distance of 231.51 feet; thence South  $00^{\circ}54'52''$  West, a distance of 370.06 feet to a galvanized steel fence post; thence North  $34^{\circ}40'01''$  West, a distance of 335.84 feet to a point on the Southerly right of way line of Greg Street; thence along the Southerly right of way line of Greg Street the following four courses and distances: 1) North  $47^{\circ}58'37''$  East, a distance of 232.02 feet, 2) from a tangent which bears the last named course, along a circular curve to the right with a radius of 760.00 feet and a central angle of  $19^{\circ}23'42''$ , an arc length of 257.27 feet to a point of compound curvature, 3) along said compound circular curve to the right with a radius of 45.00 feet and a central angle of  $83^{\circ}54'13''$ , an arc length of 65.40 feet; 4) South  $28^{\circ}43'28''$  East, a distance of 134.97 feet to the TRUE POINT OF BEGINNING, all as shown and set forth on that certain Record of Survey for MGM GRAND, filed in the Office of the County Recorder of Washoe County, Nevada, on November 24, 1981, as File No. 769946.

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## DESCRIPTION

All that real property situated in the County of Douglas, State of Nevada, more particularly described as follows:

Being a portion of the SE 1/4 of Section 27, Township 13 North, Range 18 East, M.D.B.&M., more particularly 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°02' East, 600.50 feet to the true point of beginning; thence continuing along said right of way line, North 28°02' 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 51°58' East, 150.00 feet and North 28°02' 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°58' East (S. 62°02' 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°55' East 147.97 feet; thence North 61°58' West, 247.89 feet; thence South 28°02' West, 07.87 feet; thence North 61°58' West 260.00 feet; thence North 85°19' West 95.69 feet; thence North 61°58' West, 102.73 feet to the true point of beginning.

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 North-easterly along said right of way line of U.S. Highway 50, North 28°02' East, 680.50 feet; thence leaving Highway 50, South 61°58' East, 102.73 feet; thence South 85°19' East, 95.69 feet; thence South 61°58' East, 260.00 feet; thence North 28°02' East, 87.87 feet; thence South 61°58' 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 20, 1967, in Book 56, page 234, File No. 39715, Official Records; thence along said fence line, South 32°55' 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°25'42" 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 10 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°51'54" 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 48°26'04" West, 62.60 feet; South 63°56'14" West 193.09 feet; South 42°34'22" West, 167.96 feet; North 73°22'13" West, 89.54 feet; North 59°10'02" West, 101.08 feet; thence North 47°54'42" 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°36'41" 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.

REQUESTED BY  
Valley Bank of Nu  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. - NEVADA

91 MAR 27 10:44

SUZANNE BEAUDREAU  
RECORDER

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\$16<sup>00</sup> PAID Ke DEPUTY

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