

Recording Requested by,  
and when Recorded Mail to:

James L. Morgan, Esq.  
Henderson & Nelson  
164 Hubbard Way, Suite B  
Reno, NV 89502

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**ASSIGNMENT OF PERMITS, LICENSES AND CONTRACTS**  
**(TAHOE)**

THIS ASSIGNMENT OF PERMITS, LICENSES AND CONTRACTS (TAHOE) ("Assignment") is made and entered into as of August 14, 1995, by and between HARVEYS CASINO RESORTS, a Nevada corporation, hereinafter referred to as "Assignor", party of the first part, and FIRST INTERSTATE BANK OF NEVADA, N.A., as administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer (all of which are defined by the Credit Agreement referred to below) hereinafter referred to, together with its successors and assigns, in such capacity, as "Collateral Agent", party of the second part.

R E C I T A L S:

WHEREAS:

A. Reference is made to that certain Reducing Revolving Credit Agreement (the "Reducing Revolving Credit Agreement") executed concurrently herewith by and among Assignor, Harveys C.C. Management Company, Inc., a Nevada corporation and Harveys Iowa Management Company, Inc., a Nevada corporation, as Borrowers (collectively referred to as "Borrowers"), the Lenders therein named (each, together with their respective successors and assigns, individually being referred to as a "Lender" and collectively as the "Lenders"), First Interstate Bank of Nevada, N.A., as the swingline lender (herein, and therein, in such capacity, together with its successors and assigns, referred to as the "Swingline Lender"), First Interstate Bank of Nevada, N.A., as the issuer of letters of credit thereunder (herein, and therein, in such capacity, together with its successors and assigns, referred to as the "L/C Issuer"), and First Interstate Bank of Nevada, N.A., as administrative and collateral agent for the Lenders, Swingline Lender, and L/C Issuer (herein and therein, together with its successors and assigns, in such capacity, referred to

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as the "Agent Bank" and, together with the Lenders, Swingline Lender and the L/C Issuer, collectively referred to as the "Banks"). All references herein to the "Credit Agreement" shall be to the Reducing Revolving Credit Agreement and to all amendments, modifications, renewals, restatements and substitutions which are hereinafter made to such Reducing Revolving Credit Agreement. All capitalized words and terms which are used herein (and which are not otherwise defined herein) shall have the respective meanings and be construed herein as provided in Section 1.01 of the Credit Agreement and any reference to a provision of the Credit Agreement shall be deemed to incorporate that provision as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

B. Pursuant to the Credit Agreement and subject to the terms and conditions specified therein Lenders have agreed to provide a reducing revolving line of credit to Borrowers in an initial maximum principal amount of One Hundred Fifty Million Dollars (\$150,000,000.00) (defined in the Credit Agreement as the "Credit Facility"), including the L/C Facility for issuance of standby and documentary letters of credit by the L/C Issuer and the Swingline Facility for funding, by the Swingline Lender, in smaller minimum amounts and on shorter notice than is required under the Credit Facility.

C. It is a condition of the Credit Facility that all interest of Assignor in any assignable permits, licenses and contracts, if any, relating to: (i) the real property, located in the County of Douglas, State of Nevada, which is described by "Exhibit A", attached hereto (the "Real Property"); or (ii) the Tahoe Hotel/Casino Facility operated on the Real Property; now existing, or which in the future may be entered into or procured, be presently assigned to Collateral Agent as additional security for the Credit Facility and as additional security for the performance of all obligations to be performed by Assignor pursuant to the Credit Agreement and the other Loan Documents (other than the Environmental Certificate), upon the terms and conditions set forth below. All such assignable permits, licenses, warranties and contracts, if any, whether presently existing or entered into in the future, are hereinafter collectively referred to as the "Permits".

NOW, THEREFORE, in consideration of the Credit Facility, Assignor does hereby assign to the Collateral Agent

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all of its right, title and interest in and to the Permits, as follows:

1. Assignor does hereby grant, assign and convey unto Collateral Agent all the right, title, interest and privilege which Assignor has or may have in any Permits which now, or may in the future pertain to or be used in connection with the Real Property and/or the Tahoe Hotel/Casino Facility conducted thereon or utilized in connection therewith. Without limiting the generality of the foregoing, Collateral Agent shall have the present and continuing right with full power and authority, in its own name, or in the name of Assignor or otherwise, to do any and all things which Assignor may be or may become entitled to do under the said Permits, and the right to make all waivers and agreements, give all notices, consents and releases and other instruments and to do any and all other things whatsoever which Assignor may be or may become entitled to do under the said Permits.

2. The acceptance of this Assignment and the payment or performance under the Permits hereby assigned shall not constitute a waiver of any rights of the Collateral Agent or of the Banks under the terms of the Credit Agreement or any other Loan Document for the benefit of the Collateral Agent or of the Banks.

3. Assignor shall keep and perform the following with respect to the Permits:

a. Except as may be permitted in the Credit Agreement, Assignor will not further assign any interest in the Permits, or create or permit any lien, charge, or encumbrance upon its interests in the Permits;

b. Assignor will not, without the prior written consent of the Collateral Agent:

(i) Cancel or terminate, or consent to any cancellation, termination or surrender, or permit any event to occur which would entitle any grantor of a Permit to terminate or cancel its Permits if such cancellation, termination or surrender would materially and adversely affect the Tahoe Hotel/Casino Facility (other than a cancellation or termination caused by the default of the Permit grantor thereunder);

(ii) Fail to comply with any condition or to satisfy any obligation which may be imposed upon Assignor

under any Permit if such failure would materially and adversely affect the Tahoe Hotel/Casino Facility;

(iii) Amend or modify any of the Permits if such amendment or modification would materially and adversely affect the Tahoe Hotel/Casino Facility;

(iv) Waive any default under or breach of any Permit except for any waiver that will not result in any material adverse affect on the Tahoe Hotel/Casino Facility;

(v) Give any consent, waiver or approval which would impair Assignor's interest in any of the Permits if such consent, waiver or approval would materially and adversely affect said Tahoe Hotel/Casino Facility; or

(vi) Fail to keep any Permit in full force and effect if such failure would materially and adversely affect the Tahoe Hotel/Casino Facility.

c. Assignor will promptly notify the Collateral Agent of the occurrence of any material default under any of the Permits.

4. Notwithstanding any provision to the contrary contained in this Assignment, it is understood and agreed that so long as there shall exist no Event of Default under the Credit Agreement there is reserved to Assignor a license to retain, use and enjoy the Permits. Upon the occurrence of an Event of Default as set forth in the Credit Agreement, such license granted to Assignor shall be immediately revoked without further demand or notice and Collateral Agent is hereby empowered to perform such other acts in connection with the use, management and operation of the Real Property and the Tahoe Hotel/Casino Facility as Collateral Agent, in its sole discretion, may deem proper. Should the Event of Default which resulted in any such revocation be cured prior to foreclosure, deed-in-lieu of foreclosure, or a similar conveyance under any of the Tahoe Security Documents, then such license granted to Assignor shall be immediately reinstated without further demand or notice and Collateral Agent shall, as soon as reasonably possible, redeliver possession of the Permits to Assignor (and shall execute such notices to third parties as Assignor may reasonably request) and the parties hereto shall each be restored to, and be reinstated in, their respective rights and positions hereunder as if the Event of Default had not occurred (without

impairment of or limitation on Collateral Agent's right to proceed hereunder upon subsequent Events of Default).

5. Neither the Collateral Agent nor any of the Banks shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under the Permits. Assignor hereby agrees to indemnify Collateral Agent and each of the Banks (collectively, the "Indemnified Parties") for, and to save them harmless from, any and all liability arising from the Permits, or from the management, operation and repair of the Real Property or of the Tahoe Hotel/Casino Facility. This Assignment shall not place responsibility for the control, care, management, operation or repair of the Real Property or of the Tahoe Hotel/Casino Facility upon any of the Indemnified Parties; nor shall this Assignment cause any of the Indemnified Parties to be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Real Property or of the Tahoe Hotel/Casino Facility which results in loss, injury or death to any tenant, guest, licensee, employee or stranger (provided that this Section 5 shall not act to relieve any Indemnified Party from liability which results from such Indemnified Party's own gross negligence or willful misconduct).

6. Assignor agrees that this Assignment and the designation and directions herein set forth are irrevocable and that it will not, while this Assignment, or such designation and directions are in effect or thereafter so long as any obligation of Assignor under the Credit Facility remains unsatisfied or the Banks, or any of them, have any obligation, whether contingent or otherwise, to advance any funds or issue any letters of credit under the Credit Facility, make any other assignment, designation or direction inconsistent herewith (except as otherwise permitted in the Credit Agreement), and that any assignment, designation or direction inconsistent herewith shall be void. Assignor will, from time to time, execute all instruments of further assurance and all such supplemental instruments as may be requested by Collateral Agent.

7. No action or inaction on the part of Collateral Agent or any of the Banks shall constitute an assumption on the part of Collateral Agent or any of the Banks of any obligations or duties under the Permits. No action or inaction on the part of Assignor shall adversely affect or limit in any way the rights of Collateral Agent under this Assignment or, through this Assignment, under the Permits.

8. Assignor warrants and represents that no other assignments of its interests in the Permits have been made; that no notice of termination has been served on it with respect to any Permits, the termination of which would be reasonably likely to result in a Material Adverse Change; and that there are presently no defaults existing under any of the Permits, which defaults would be reasonably likely to result in a Material Adverse Change if left uncured.

9. The full performance of the terms contained in the Credit Agreement and the Notes and the due release and termination of the Tahoe Security Documents which are executed and delivered concurrently herewith shall render this Assignment void. Upon such reconveyance, the Collateral Agent, at the request and the expense of Assignor, will deliver either an instrument canceling this Assignment or assigning the rights of the Collateral Agent hereunder, as Assignor shall direct.

10. Assignor and Collateral Agent intend, subject to the license, granted above, that this Assignment shall be a present, absolute and unconditional assignment, and shall not result in the mere passing of a security interest. The Permits shall not, during the term of this Assignment, constitute property of Assignor (or any estate of Assignor) within the meaning of 11 U.S.C. § 541 (as it may be amended from time to time).

11. This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns. This Assignment may not be modified or terminated orally.

12. Nothing contained in this Assignment and no act done or omitted by Collateral Agent or any of the Banks pursuant to its terms shall be deemed a waiver by Collateral Agent or any of the Banks of any rights or remedies under the Loan Documents, and this Assignment is made and accepted without prejudice to any rights or remedies possessed by Banks under the terms of the Loan Documents. The right of Banks to collect the secured principal, interest, and other Indebtedness under any of the Loan Documents, and to enforce any other security may be exercised by Collateral Agent or the Banks prior to, simultaneous with, or subsequent to any action taken under this Assignment.

13. Upon the occurrence of an Event of Default, Assignor shall be deemed to have appointed and does hereby

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appoint Assignee the attorney-in-fact of Assignor to prepare, sign, file and/or record such documents or instruments, or take such other actions, as may be reasonably necessary to perfect and preserve, against third parties, the interest in the Permits which is granted to Collateral Agent hereunder.

14. This Assignment shall be governed, to the fullest extent permitted by applicable law, by the internal laws of the State of Nevada, without regard to principles of conflict of law.

15. This Assignment may be executed in any number of separate counterparts with the same effect as if the signatures hereto and hereby were upon the same instrument. All such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed the foregoing instrument as of the day and year first above written.

ASSIGNOR:

HARVEYS CASINO RESORTS,  
a Nevada corporation

By Thomas M. Yturbide  
Thomas M. Yturbide,  
President

By William B. Ledbetter  
William B. Ledbetter,  
Secretary

COLLATERAL AGENT:

FIRST INTERSTATE BANK OF  
NEVADA, N.A., as Collateral  
Agent for the Lenders, the  
Swingline Lender and the L/C  
Issuer

By Joseph L. Brady  
Joseph L. Brady,  
Vice President

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STATE OF NEVADA )  
 ) ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on August 14, 1995, by as THOMAS M. YTURBIDE as President of/for HARVEYS CASINO RESORTS.

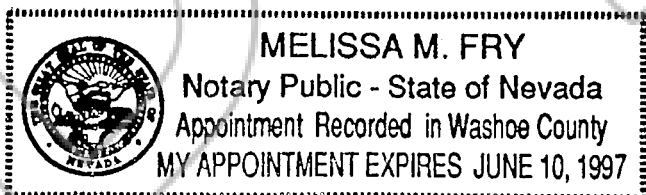
*Melissa M. Fry*  
\_\_\_\_\_  
Notary Public



STATE OF NEVADA )  
 ) ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on August 14, 1995, by WILLIAM B. LEDBETTER as Secretary of/for HARVEYS CASINO RESORTS.

*Melissa M. Fry*  
\_\_\_\_\_  
Notary Public



STATE OF NEVADA )  
 ) ss  
COUNTY OF WASHOE )

This instrument was acknowledged before me on August 14, 1995, by JOSEPH L. BRADY as Vice President of/for FIRST INTERSTATE BANK OF NEVADA, N.A.

*Melissa M. Fry*  
\_\_\_\_\_  
Notary Public



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PARCEL 1:

All the certain piece or parcel of land situate in the Northeast Quarter of the Southeast Quarter of Section 27, Township 13 North, Range 18 East, M.D.B.&M., County of Douglas, State of Nevada, described as follows:

BEGINNING at the intersection of the California-Nevada State Line with the Westerly line of U.S. Highway 50; thence North  $27^{\circ}57'22''$  East along the Westerly line of said U.S. Highway 50, a distance of 154.80 feet; thence North  $56^{\circ}30'$  West, a distance of 291.50 feet; thence North  $27^{\circ}57'22''$  East, a distance of 266.35 feet to a point on the Northerly line of parcel conveyed to HARVEY GROSS, et al, by Deed recorded June 2, 1944, in Book W of Deeds, Page 597, Douglas County, Nevada, records; thence along the Northerly line of said parcel North  $80^{\circ}14'14''$  West, a distance of 613.15 feet to the Northeasterly corner of parcel conveyed to WILLIAM McCALLUM, et al, by Deed recorded November 24, 1952, in Book A-1 of Deeds, Page 351, Douglas County, Nevada, records; thence along the Northeasterly and Southeasterly line of said McCallum Parcel, the two following courses and distances; south  $48^{\circ}43'15''$  East, a distance of 211.24 feet and South  $41^{\circ}16'45''$  West, a distance of 50.00 feet to a point on said California-Nevada State Line; thence South  $48^{\circ}43'15''$  East along the last mentioned line, a distance of 697.47 feet to the point of beginning, said parcel being further shown as Parcel No. 1 of that certain Record of survey filed for record in the office of the County Recorder on June 29, 1971, as File No. 60370, in Book 102, Page 544.

A PORTION OF 07-140-09

PARCEL 2:

All that certain piece or parcel of land situate in the County of Douglas, State of Nevada, that is described as follows:

That portion of the Southeast Quarter of Section 27, Township 13 North, Range 18 East, M.D.B.&M., that is described as follows:

COMMENCING at a point on the Westerly right of way line of the Nevada State Highway U.S. Route 50, which is 154.80 feet North  $27^{\circ}57'22''$  East to the intersection of the California-Nevada State Line boundary with the Westerly right of way of the Nevada U.S. Route 50; thence first course North  $27^{\circ}57'22''$  East, a distance of 389.99 feet to a point on the Westerly right of way line of the Nevada State Highway U.S. Route 50; thence second course North  $80^{\circ}14'14''$  West, a distance of 305.48 feet; thence third course South  $27^{\circ}57'22''$  West, a distance of 266.35 feet; thence fourth course South  $56^{\circ}30'$  East, a distance of 291.50 feet to the point of beginning, said land being further shown as Parcel No. 2 on that certain Record of Survey filed for record in the office of the County Recorder of Douglas County, Nevada, on June 29, 1971, as File No. 60370, in Book 102, Page 544.

EXCEPTING THEREFROM a parcel of land located within a portion of section 27, Township 13  
(Continued)

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EXHIBIT

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North, Range 18 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

COMMENCING at a point lying at the intersection of the California-Nevada State Line and the Westerly right of way line of U.S. Highway 50; thence North  $27^{\circ}57'22''$  East, 449.50 feet along the Westerly right of way line of U.S. Highway 50 to the point of beginning; thence North  $62^{\circ}02'38''$  West, 289.93 feet to the Northwest corner of Parcel 2 as shown on the map filed within the Official Records of Douglas County, Nevada, on June 29, 1971, in Book 102, Page 544, as Document No. 60370; thence South  $80^{\circ}14'14''$  East, 305.18 feet along the Northerly line of said Parcel 2 to a point on the Westerly right of way line of U.S. Highway 50; thence South  $27^{\circ}57'22''$  West, 95.29 feet along said Westerly right of way line of U.S. Highway 50 to the point of beginning.

A PORTION OF 17-140-09

PARCEL 3:

A parcel of land located within a portion of Section 27, Township 13 North, Range 18 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

COMMENCING at a point lying at the intersection of the California-Nevada State Line and the Westerly right of way line of U.S. Highway 50; thence North  $48^{\circ}42'34''$  West, 990.12 feet along the California-Nevada State Line to the point of beginning; thence North  $48^{\circ}42'34''$  West, 117.90 feet along the California-Nevada State Line; thence North  $30^{\circ}18'30''$  East, 172.01 feet; thence North  $70^{\circ}15'01''$  West, 157.23 feet; thence North  $29^{\circ}43'25''$  West, 86.29 feet thence North  $00^{\circ}50'44''$  East, 33.27 feet; thence North  $62^{\circ}26'55''$  West, 72.14 feet to a point on the Easterly right of way line of Stateline Loop Road; thence North  $23^{\circ}57'13''$  East, 121.09 feet along said Easterly right of way line; thence along said Easterly right of way line, 144.33 feet along the arc of a curve to the right, having a central angle of  $07^{\circ}04'04''$ , and a radius of 1170.00 feet (chord bears North  $27^{\circ}29'15''$  East, 144.24 feet); thence South  $62^{\circ}03'50''$  East, 1396.61 feet to a point on the Westerly right of way line of U.S. Highway 50; thence South  $27^{\circ}57'22''$  West, 296.01 feet along the Westerly right of way of U.S. Highway 50; thence North  $62^{\circ}02'38''$  West, 289.93 feet; thence North  $80^{\circ}14'14''$  West, 709.00 feet to the point of beginning.

A PORTION OF 17-140-10

PARCEL 4:

A parcel of land located within a portion of Section 27, Township 13 North, Range 18 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

COMMENCING at a point lying at the intersection of the California-Nevada State Line and the Westerly right of way line of U.S. Highway 50; thence North  $48^{\circ}42'34''$  West, 1108.02 feet along the California-Nevada State Line to the point of beginning; thence North  $48^{\circ}42'34''$  West, 306.26 feet along the California-Nevada State Line to a point on the Easterly right of way line of Stateline Loop Road; thence North  $23^{\circ}57'13''$  East, 154.41 feet along the Easterly right of way line of Stateline Loop Road; thence South  $62^{\circ}26'55''$  East, 72.14 feet; thence South  $00^{\circ}50'44''$  West, 33.27 feet; thence South  $29^{\circ}43'25''$  East, 86.29 feet; thence South  $70^{\circ}15'01''$  East, 157.23 feet; thence South  $30^{\circ}18'30''$  West, 172.01 feet to the point of beginning.

A PORTION OF 17-140-10

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REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

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LINDA SLATER  
RECORDER  
\$17<sup>00</sup> PAID *KO* DEPUTY