

Prepared by and when
recorded mail to:

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AMENDED AND RESTATED LEASEHOLD AND FEE
DEED OF TRUST, FIXTURE FILING AND
SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS
AND NOTICE OF ADDITIONAL COMMITMENT
(TAHOE)

NOTICE: THIS DEED OF TRUST SECURES CREDIT IN THE INITIAL MAXIMUM PRINCIPAL AMOUNT OF ONE HUNDRED EIGHTY-FIVE MILLION DOLLARS (\$185,000,000.00), TOGETHER WITH: (i) INTEREST ON THE OUTSTANDING PORTION OF SAID PRINCIPAL AMOUNT; and (ii) OTHER AMOUNTS DESCRIBED HEREIN. THE OBLIGATIONS SECURED HEREBY INCLUDE REVOLVING CREDIT OBLIGATIONS WHICH PERMIT BORROWING, REPAYMENT AND REBORROWING, ALL SUBJECT TO THE TERMS AND CONDITIONS OF THE CREDIT AGREEMENT AND THE NOTES THAT ARE REFERRED TO HEREIN. INTEREST ON OBLIGATIONS SECURED HEREBY ACCRUES AT RATES WHICH MAY FLUCTUATE FROM TIME TO TIME.

THIS AMENDED AND RESTATED LEASEHOLD AND FEE DEED OF TRUST, FIXTURE FILING AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS AND NOTICE OF ADDITIONAL COMMITMENT (TAHOE) (the "Deed of Trust") is made as of the 27th day of January, 1999 by and among HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation (the successor in title to Harveys Casino Resorts, a Nevada corporation), as trustor and debtor (hereinafter referred to as "Trustor"), WESTERN TITLE COMPANY, INC., a Nevada corporation, as trustee (hereinafter referred to as "Trustee"), and WELLS FARGO BANK, National Association (the successor by merger to First Interstate Bank of Nevada, N.A.), as Agent Bank on behalf of the Lenders, the Swingline Lender and the L/C Issuer which are defined and described in the Credit Agreement referred to below, as secured party and beneficiary (together with its successors and assigns, in such capacity, hereinafter referred to as "Beneficiary").

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WHEREAS:

A. Harveys Casino Resorts, a Nevada corporation ("HCR"), Harveys C.C. Management Company, Inc., a Nevada corporation and Harveys Iowa Management Company, Inc., a Nevada corporation (collectively, the "Original Borrowers") entered into that certain Reducing Revolving Credit Agreement (the "Original Credit Agreement") under date of August 14, 1995, with the "Lenders" referred to therein (the "Original Lenders"), the "Swingline Lender" referred to therein (the "Original Swingline Lender"), the "L/C Issuer" referred to therein (the "Original L/C Issuer") and First Interstate Bank of Nevada, N.A. as agent for the Original Lenders, the Original Swingline Lender and the Original L/C Issuer (in such capacity, the "Original Agent" and, together with the Original Lenders, the Original Swingline Lender and the Original L/C Issuer, the "Original Banks"); all pursuant to which, among other things: (i) the Original Lenders provided a reducing revolving credit facility for the benefit of Original Borrowers with an initial maximum principal amount of One Hundred Fifty Million Dollars (\$150,000,000.00) available for borrowing at any one time thereunder (the "Existing Credit Facility"); (ii) the Original Swingline Lender provided a swingline credit facility for the benefit of Original Borrowers with a maximum principal amount of Five Million Dollars (\$5,000,000.00) available for borrowing at any one time thereunder (the "Existing Swingline Facility"); and (iii) the Original L/C Issuer provided a facility for issuance of standby and commercial letters of credit for the account of Original Borrowers (the "Existing L/C Facility").

B. Pursuant to the Original Credit Agreement, Original Borrowers executed and delivered the following: (i) a Reducing Revolving Promissory Note, payable to the order of the Original Agent in a principal amount not to exceed One Hundred Fifty Million Dollars (\$150,000,000.00), on a reducing revolving line of credit basis (the "Existing RLC Note") as evidence of, among other things, Original Borrowers' obligation to repay amounts advanced under the Existing Credit Facility, together with accrued interest thereon; and (ii) a Swingline Note, payable to the order of the Original Swingline Lender in a principal amount not to exceed Five Million Dollars (\$5,000,000.00) on a revolving line of credit basis (the "Existing Swingline Note") as evidence of, among other things, Original Borrowers' obligation to repay amounts

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advanced under the Existing Swingline Facility, together with accrued interest thereon.

C. As security for, among other things, Original Borrowers' payment and performance under the Original Credit Agreement, the Existing RLC Note and the Existing Swingline Note, HCR, as debtor and trustor, executed and delivered a Leasehold and Fee Deed of Trust, Fixture Filing and Security Agreement with Assignment of Rents (Tahoe), under date of August 14, 1995, for the benefit of Original Agent as secured party and beneficiary, which instrument was recorded in the Official Records of Douglas County, Nevada (the "Official Records") on August 16, 1995 in Book 0895 at Page 2526 as Document No. 368422 (the "Existing Deed of Trust").

D. The Original Credit Agreement was amended by: (i) a First Amendment to Reducing Revolving Credit Agreement dated May 15, 1996 by and among Original Borrowers, Harveys Wagon Wheel Casino Limited Liability Company, a Colorado limited liability company ("HWLLC"), as an additional borrower, and the Original Banks (or, where applicable, their respective successors and assigns); (ii) a Second Amendment to Reducing Revolving Credit Agreement dated May 23, 1996 by and among Original Borrowers, HWLLC and the Original Banks (or, where applicable, their respective successors and assigns); (iii) a Third Amendment to Reducing Revolving Credit Agreement dated September 30, 1996 by and among Original Borrowers, HWLLC and the Original Banks (or, where applicable, their respective successors and assigns); and (iv) a Fourth Amendment to Reducing Revolving Credit Agreement dated July 25, 1997 (the "Fourth Amendment to Credit Agreement") by and among Original Borrowers, HWLLC, Trustor as an additional borrower, and HCR Services Company, Inc., a Nevada corporation ("HCRSC") as an additional borrower (collectively, the "Existing Borrowers"), and the Original Banks (or, where applicable, their respective successors and assigns); with the Original Credit Agreement, as so amended, being collectively referred to herein as the "Existing Credit Agreement".

E. Concurrently with execution and delivery of the Fourth Amendment to Credit Agreement, HCR conveyed to Trustor all of the real and personal property which was encumbered by the Existing Deed of Trust and Trustor assumed: (i) all obligations of HCR under the Existing Deed of Trust; and (ii) all obligations which were secured by the Existing Deed of Trust (on a joint and several basis with the other Existing Borrowers).

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F. On December 9, 1998, Original Borrowers, Trustor and HCRSC (collectively, "Borrowers") entered into an Amended and Restated Credit Agreement (as it may be extended, renewed, amended, restated or otherwise modified, from time to time, the "Credit Agreement") with the Lenders therein named, the Swingline Lender therein named, the L/C Issuer therein named and Beneficiary, pursuant to which, among other things, the terms and conditions of the Existing Credit Agreement, the Existing Credit Facility, the Existing Swingline Facility and the Existing L/C Facility have all been amended and restated, which modifications include, without limitation, an increase in the initial maximum amount available for borrowing under the Existing Credit Facility, from One Hundred Fifty Million Dollars (\$150,000,000.00) to One Hundred Eighty-five Million Dollars (\$185,000,000.00) (the "Commitment Increase").

G. Also concurrently, or substantially concurrent, herewith Borrowers have executed and delivered: (i) an Amended and Restated Revolving Credit Promissory Note (as it may be extended, renewed, amended, restated, substituted or otherwise modified, the "RLC Note"), payable to the order of Agent Bank, in a principal amount not to exceed One Hundred Eighty-five Million Dollars (\$185,000,000.00) outstanding at any one time, on a reducing revolving line of credit basis pursuant to which the Commitment Increase has been reflected and the terms and conditions of the Existing RLC Note have been amended and restated; and (ii) an Amended and Restated Swingline Note (as it may be extended, renewed, amended, restated, substituted or otherwise modified, the "Swingline Note"), payable to the order of Swingline Lender, in a principal amount not to exceed Five Million Dollars (\$5,000,000.00) outstanding at any one time, on a revolving line of credit basis pursuant to which the terms and conditions of the Existing Swingline Note have been amended and restated.

H. Trustor and Beneficiary wish to amend and restate the Existing Deed of Trust for the purpose, among other things, of confirming its security for Borrowers' payment and performance of their obligations under the Credit Agreement, the RLC Note and the Swingline Note.

NOW, THEREFORE, for the purpose, among other things, of: (i) amending and restating the Existing Deed of Trust; and (ii) confirming its continued security for Borrowers' payment and performance of their obligations under the Credit Agreement, the RLC Note and the Swingline Note, and for other good and valuable consideration, the parties hereto do agree

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that the Existing Deed of Trust shall be amended and restated to read, in its entirety, as follows:

**AMENDED AND RESTATED LEASEHOLD AND FEE
DEED OF TRUST, FIXTURE FILING AND
SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS
AND NOTICE OF ADDITIONAL COMMITMENT
(TAHOE)**

NOTICE: THIS DEED OF TRUST SECURES CREDIT IN THE INITIAL MAXIMUM PRINCIPAL AMOUNT OF ONE HUNDRED EIGHTY-FIVE MILLION DOLLARS (\$185,000,000.00), TOGETHER WITH: (i) INTEREST ON THE OUTSTANDING PORTION OF SAID PRINCIPAL AMOUNT; and (ii) OTHER AMOUNTS DESCRIBED HEREIN. THE OBLIGATIONS SECURED HEREBY INCLUDE REVOLVING CREDIT OBLIGATIONS WHICH PERMIT BORROWING, REPAYMENT AND REBORROWING, ALL SUBJECT TO THE TERMS AND CONDITIONS OF THE CREDIT AGREEMENT AND THE NOTES THAT ARE REFERRED TO HEREIN. INTEREST ON OBLIGATIONS SECURED HEREBY ACCRUES AT RATES WHICH MAY FLUCTUATE FROM TIME TO TIME.

THIS AMENDED AND RESTATED LEASEHOLD AND FEE DEED OF TRUST, FIXTURE FILING AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS AND NOTICE OF ADDITIONAL COMMITMENT (TAHOE) (the "Deed of Trust") is made as of the 27th day of January, 1999 by and among HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation (the successor in title to Harveys Casino Resorts, a Nevada corporation), as trustor and debtor (hereinafter referred to as "Trustor"), WESTERN TITLE COMPANY, INC., a Nevada corporation, as trustee (hereinafter referred to as "Trustee"), and WELLS FARGO BANK, National Association (the successor by merger to First Interstate Bank of Nevada, N.A.), as Agent Bank on behalf of the Lenders, the Swingline Lender and the L/C Issuer which are defined and described in the Credit Agreement referred to below, as secured party and beneficiary (together with its successors and assigns, in such capacity, hereinafter referred to as "Beneficiary").

W_I_T_N_E_S_S_E_T_H:

THAT TRUSTOR:

Grants, bargains, sells, transfers, conveys and assigns the following described real property and related collateral to Trustee, in trust, with power of sale, to have and to hold the same unto Trustee and its successors in

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interest for and on behalf of Beneficiary upon the trusts, covenants and agreements herein expressed:

DESCRIPTION OF COLLATERAL

All right, title and interest of Trustor which is now owned, or hereafter acquired, in or to that certain real property situated in the County of Douglas, State of Nevada, that is more particularly described on that certain exhibit marked "Exhibit A", affixed hereto and by this reference incorporated herein and made a part hereof (the "Land"), together with and including, without limitation:

(a) all right, title and interest of Trustor, whether now owned, or hereafter acquired, in or to, any real property lying within the right of way of any street, open or proposed, which adjoins any of said Land and any and all sidewalks, bridges, elevated walkways, tunnels, alleys, strips and gores of real property adjacent to, connecting or used in connection with any of said Land (collectively, the "Adjacent Property");

(b) all right, title and interest of Trustor, whether now owned, or hereafter acquired, in or to, all buildings, structures and all other improvements and fixtures that are, or that may be hereafter erected or placed on, or in, the Land and all right, title and interest of Trustor which is now owned or hereafter acquired, in or to, all buildings, structures and all other improvements and fixtures that are, or that may be hereafter, erected or placed on, or in, any of the Adjacent Property (collectively, the "Improvements");

(c) all right, title and interest of Trustor, whether now owned, or hereafter acquired, in or to, all water rights and conditional water rights that are now, or may hereafter be, appurtenant to, used in connection with or intended for use in connection with the Land, the Adjacent Property and/or the Improvements, including, without limitation: (i) ditch, well, pipeline, spring and reservoir rights, whether or not adjudicated or evidenced by any well or other permit; (ii) all rights with respect to groundwater underlying the Land or the Adjacent Property; (iii) any permit to construct any water well, water from which is

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intended to be used in connection with the Land or the Adjacent Property; and (iv) all of Trustor's right, title and interest under any decreed or pending plan of augmentation or water exchange plan (collectively, the "Water Rights", and together with the Land, the Adjacent Property and the Improvements, the "Real Estate"); however, the terms of this paragraph notwithstanding, the following water right entitlements (the "Entitlements") are excluded from the Water Rights and no interest in such Entitlements is granted hereunder: those entitlements represented by State of Nevada, Division of Water Resources Permit No. 11870, Certificate 4122, consisting of 59.887 acre feet, annually (.08276 cfs);

(d) all present and future interest of Trustor as lessor, sublessor, licensor, concessioner, franchisor, grantor, or similar party to any lease, sublease, license, concession, franchise and other use or occupancy agreement now or hereafter relating to any of the Real Estate and all renewals, extensions, amendments, restatements and other modifications thereof (collectively, the "Occupancy Agreements"), including, without limitation, all right, title and interest of Trustor under that certain Lease Agreement dated January 16, 1998 by and between Trustor, as Landlord, and Hard Rock Cafe International (USA), Inc., as Tenant, record notice of which is granted pursuant to that certain Memorandum of Lease dated January 16, 1998, recorded in the Official Records on March 17, 1998 in Book 398 at Page 3631 as Document No. 435100 and re-recorded in the Official Records on April 24, 1998, in Book 498 at Page 4924 as Document No. 438185, as such Lease Agreement may be extended, renewed, amended, restated or otherwise modified from time to time;

(e) all right, title and interest of Trustor, whether now owned, or hereafter acquired, in or to, all present and future rents, issues, products, earnings, revenues, payments, profits, royalties and other proceeds and income of the Real Estate, and of any activities conducted thereon or in connection therewith, regardless of whether such proceeds or income accrue by virtue of the Occupancy Agreements, or otherwise (collectively,

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the "Rents"), subject, however, to the absolute assignment given to Beneficiary in Section 10 hereof entitled Assignment of Rents, and to which Section this grant to the Trustee is subject and subordinate;

(f) all and singular the tenements, easements, hereditaments and appurtenances now, or hereafter, belonging to or in any wise appertaining to the Real Estate and/or the Rents and the reversion and reversions, remainder and remainders thereof and all the estate, right, title, interest or other claim which Trustor now has or hereafter may acquire of, in and to the Real Estate, the Occupancy Agreements, the Rents and/or any part thereof, with the appurtenances thereto (collectively, the "Other Interests"); and

(g) all right, title and interest of Trustor, whether now owned, or hereafter acquired, in or to, the Personal Property, which is referred to below.

The Real Estate, the Occupancy Agreements, the Rents and the Other Interests are hereinafter collectively referred to as the "Real Property". The Real Property includes, without limitation:

(i) the lessee's interest under that certain unrecorded Lease (the "Original Park Cattle Lease") under date of July 9, 1973 by and between Park Cattle Company, a Nevada corporation (referred to herein, together with its successors and assigns as lessor under any of the Ground Leases, which are referred to below, as "Park Cattle"), as lessor, and Harveys Casino Resorts, a Nevada corporation (which was then known as Harvey's Wagon Wheel, Inc., and is referred to herein as "HCR") as lessee, as such Original Park Cattle Lease is amended by: (i) that certain unrecorded Modification of Lease (the "First Amendment to Park Cattle Lease") under date of April 27, 1979, by and between Park Cattle and HCR; (ii) that certain unrecorded Second Amendment to Lease Agreement (the "Second Amendment to Park Cattle Lease") under date of February 28, 1985, by and between Park Cattle and HCR; and (iii) that certain "Third Amendment to Lease Agreement between Park Cattle Co., Landlord, and Harveys Casino Resorts, formerly known as Harvey's Wagon Wheel, Inc., Tenant" (the "Third Amendment to Park Cattle Lease") under date of June 1, 1997, by and between Park Cattle and HCR. The Original Park Cattle Lease, as amended by the First Amendment to Park Cattle

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Lease, the Second Amendment to Park Cattle Lease, and the Third Amendment to Park Cattle Lease, is collectively referred to herein as the "Existing Park Cattle Lease". HCR's interest as lessee under the Existing Park Cattle Lease (and under certain other leases) was assigned to Trustor pursuant to an Assignment of Leases which was executed and delivered by HCR, Trustor and Park Cattle under date of June 1, 1997 (the "Multiple Lease Assignment"). The Existing Park Cattle Lease grants a leasehold interest (the "Park Cattle Leasehold Estate") in the real property which is designated as Parcel 3 on Exhibit A attached hereto and incorporated by reference herein (the "Park Cattle Real Property"). Record notice of the Park Cattle Leasehold Estate, and the interest of Trustor therein, is granted pursuant to that certain Memorandum of Lease under date of February 11, 1998 which is recorded in the Official Records on March 6, 1998 in Book 398 at Page 1298 as Document No. 0434235. All references herein to the Park Cattle Lease shall be to the Existing Park Cattle Lease as it may hereafter be extended, renewed, amended, restated or otherwise modified from time to time; and

(ii) the lessee's interest under that certain unrecorded Net Lease Agreement under date of February 28, 1985 by and between Park Cattle, as lessor, and HCR, as lessee, as amended by that certain "First Amendment to Lease Agreement Between Park Cattle Co., Landlord and Harveys Casino Resorts formerly known as Harvey's Wagon Wheel, Inc. (Douglas County, Nevada property)" under date of June 1, 1997, by and between Park Cattle and HCR (collectively, the "Existing Greenbelt Lease"), pursuant to which, Park Cattle did grant a leasehold interest to HCR (the "Greenbelt Leasehold Estate") in the real property which is designated as Parcel 4 on "Exhibit A" attached hereto and incorporated by reference herein (the "Greenbelt Real Property"). HCR's interest as lessee under the Existing Greenbelt Lease was assigned to Trustor pursuant to the Multiple Lease Assignment which is referred to above. Record notice of the Greenbelt Leasehold Estate, and the interest of Trustor therein, is granted pursuant to that certain Memorandum of Lease under date of February 11, 1998 which is recorded in the Official Records on March 6, 1998 in Book 398 at Page 1288 as Document No. 0434233. All references herein to the Greenbelt Lease shall be to the Existing Greenbelt Lease, as it may hereafter be extended, renewed, amended, restated or otherwise modified from time to time.

The Park Cattle Lease and the Greenbelt Lease are hereinafter collectively referred to as the "Ground Leases". The Park Cattle Leasehold Estate and the Greenbelt Leasehold Estate are

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hereinafter collectively referred to as the "Ground Leasehold Estates". The Park Cattle Real Property and the Greenbelt Real Property are hereinafter collectively referred to as the "Ground Lease Property".

THAT TRUSTOR:

Grants a security interest to Beneficiary in the following described collateral pursuant to the Nevada Uniform Commercial Code-Secured Transactions (NRS 104.9101 et seq. as it may be amended or recodified from time to time):

DESCRIPTION OF COLLATERAL

All right, title and interest of Trustor which is now owned or hereafter acquired, in or to, any of the following described personal property (collectively, the "Personal Property"):

(a) all present and future chattels, furniture, furnishings, equipment, fixtures, building materials, building contents and building components, all of every kind and nature, and other tangible personal property: (i) which is used in connection with, situated in or on, affixed to, or incorporated into any portion of the Real Property; (ii) which is used in connection with, situate in or on, affixed to, or incorporated into, any building, structure or other improvement that is now or that may be hereafter constructed on or under the Real Property; and/or (iii) in which Trustor otherwise has or acquires an interest; all including, without limitation: (aa) all lumber, bricks, cement, masonry, steel, doors, windows, fasteners, nails, bolts, scaffolding, tools, construction supplies, construction tools and equipment and all other building materials, supplies and equipment of any kind or nature; (bb) all air conditioning, heating, electrical, lighting, fire fighting and fire prevention, plumbing, food and beverage preparation, laundry, security, sound, signaling, telephone, television, entertainment stage, window washing, irrigation, storage, shop, landscaping, signage and other equipment and fixtures, of whatever kind or nature, consisting of, without limitation, air conditioners, compressors, fans, duct work, thermostats, furnaces, boilers, radiators, burners, wiring, conduits, cables, generators, transformers, switching gear, lighting fixtures, sprinkler systems and other fire extinguishing equipment, fire alarms and other fire detection equipment, piping, pumps, valves, sinks, toilets, tubs, motors, carts, elevators and other lifts, ovens, refrigerators, dishwashers and dishwashing

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equipment, fabric washing and drying equipment, lock and key systems, surveillance and entry detection systems, speakers, intercoms and public address systems, hardware, shelving, maintenance and repair equipment and all other similar items; (cc) all furniture, furnishings, wall coverings, floor coverings, window coverings, artwork and decorative items including, without limitation, casino, guest room, bathroom, lobby, bar, restaurant, storage, retail, meeting, convention, leisure, recreation, office, administrative and other furniture, furnishings, wall coverings, floor coverings, window coverings, artwork and decorative items; (dd) all hotel equipment and supplies, including without limitation, televisions, radios, telephones, linen, bedding, amenities, carts, recreational equipment, leisure equipment and all other equipment and supplies utilized in the occupation or renting of hotel guest rooms and public areas; (ee) all bar and restaurant equipment and supplies, including, without limitation, kitchen and bar appliances, pots, pans, plates, dishes, cups, glasses, serving utensils, cooking utensils and all other equipment and supplies used in the operation of bars and/or restaurants; (ff) all casino equipment and supplies including, without limitation, slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, Gaming Devices and Related Equipment as defined in Nevada Revised Statutes Chapter 463 and all other equipment and supplies utilized in operation of a casino; (gg) all cabaret, stage and entertainment equipment and supplies including, without limitation, stage equipment, sets, spotlights, sound equipment, musical instruments and other equipment and supplies utilized in the operation of stage and cabaret shows and other entertainment productions; (hh) all office and administrative equipment and supplies including, without limitation, office appliances, filing cabinets, computers, peripheral computer equipment and other data processing and storage equipment, stationery and other office supply items, and other office and administrative equipment and supplies; (ii) all indoor and outdoor pool and recreational equipment and supplies; (jj) all tools and other maintenance and repair equipment; (kk) all landscaping equipment and supplies; and (ll) all equipment and supplies utilized in connection with any other activity engaged in by Trustor;

(b) all present and future supplies, inventory and merchandise which is used in connection with, or in the conduct of, the business of Trustor or in which Trustor has or acquires an interest, including, without limitation: (i) all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work

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in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing; (ii) all food stuffs, beverages, prepared food and other similar items; and (iii) all hotel amenities, cleaning supplies, office supplies, consumables and similar items;

(c) all present and future goods, which are not otherwise set forth herein, and which are used in connection with, or in the conduct of, the business of Trustor or in which Trustor has or acquires an interest;

(d) all present and future accounts, accounts receivable, rentals, deposits, rights to payment, instruments, documents, chattel paper, security agreements, guaranties, undertakings, surety bonds, insurance policies and notes and drafts which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor has or acquires an interest, however created or arising;

(e) all present and future contracts, or agreements, and all other present and future general intangibles which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor has or acquires an interest, including, without limitation: (aa) all leases and purchase contracts for equipment, furniture and/or fixtures of any kind and character relating to the Real Property and the businesses conducted thereon (collectively "FF&E Agreements"); and (bb) all goodwill, choses in action, trade secrets, customer lists, trademarks, trade names and service marks, patents, copyrights, technology, processes, and proprietary information which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor has or acquires an interest (including, without limitation, the trade names of "Harveys", "Harveys Resort Hotel/Casino" and/or any derivation thereof including any and all state and federal registrations thereof); the terms of this Paragraph (e) notwithstanding, the following are excluded from the Personal Property provided that the aggregate amount of all such items determined in accordance with the Credit Agreement shall not exceed Seven Hundred Fifty Thousand Dollars (\$750,000.00):

(x) contracts or agreements existing as of the date of this Deed of Trust, the terms of which prohibit the granting of a security interest therein (which determination shall be made without

taking into consideration any modification thereof which is made subsequent to the date of this Deed of Trust);

(y) contracts or agreements entered into subsequent to the date of this Deed of Trust, the terms of which prohibit the granting of a security interest therein, provided that, prior to Trustor's entry into such contract or agreement, Trustor has obtained Beneficiary's consent thereto, which consent shall not be unreasonably withheld; and

(z) FF&E Agreements, the terms of which prohibit the granting of a security interest therein ("Restricted FF&E Agreements"), provided that the amount of any such Restricted FF&E Agreement (determined in accordance with the Credit Agreement) does not exceed Twenty-five Thousand Dollars (\$25,000.00);

(f) all present and future deposit accounts which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor has or acquires an interest including, without limitation, any demand, time, savings, passbook or like account maintained with any bank, savings and loan association, credit union or like organization, and all money, cash and cash equivalents of Trustor, whether or not deposited in any such deposit account;

(g) all present and future revenues, receipts, payments and income of any nature whatsoever, in which Trustor now owns or hereafter acquires an interest, regardless of whether such items are derived from or received with respect to hotel rooms, banquet facilities, convention facilities, retail premises, bars, restaurants, casinos or any other facilities on the Real Property and regardless of whether such items are derived from any other source;

(h) all present and future books and records which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor, has or acquires an interest including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data relating to the business of Trustor, all receptacles and containers for such records, and all files and correspondence;

(i) all present and future investment property, stocks, bonds, debentures, securities, subscription rights, options, warrants, puts, calls, certificates, partnership interests, joint venture interests, investments and/or brokerage accounts which are owned, or used in connection with, or in the conduct of, the business of Trustor, or in which Trustor has or acquires an interest and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto (other than any of the foregoing relating to, or arising with respect to, Unrestricted Subsidiaries, as defined in the Credit Agreement, and with respect to New Venture Investments, as also defined in the Credit Agreement);

(j) all right, title and interest of Trustor in and to all leases, licenses, concessions, or similar agreements whether or not specifically herein described which now or may hereafter pertain to the Real Property and all amendments to the same, including, but not limited to the following: (aa) all payments due and to become due under such agreements, whether as rent, damages, insurance payments, condemnation awards, or otherwise; (bb) all claims, rights, powers, privileges and remedies under such agreements; and (cc) all rights of the Trustor under such leases to exercise any election or option, or to give or receive any notice, consent, waiver or approval, or to accept any surrender of the premises or any part thereof, together with full power and authority in the name of Trustor or otherwise, to demand and receive, enforce, collect, or receipt for any or all of the foregoing, to endorse or execute any checks or any instruments or orders, to file any claims or to take any action which Beneficiary may deem necessary or advisable in connection therewith;

(k) all plans, specifications, soil reports, engineering reports, land planning maps, surveys, and any other reports, exhibits or plans used or to be used in connection with the construction, planning, operation or maintenance of the Real Property, together with all amendments and modifications thereof;

(l) the Water Rights;

(m) all present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

(n) all rights, remedies, powers and/or privileges of Trustor with respect to any of the foregoing; and

(o) any and all proceeds and products of any of the foregoing, including, without limitation, all money, accounts, general intangibles, deposit accounts, documents, instruments, chattel paper, goods, insurance proceeds, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

SUBJECT, HOWEVER, to the following:

(i) the right of Trustor to sell or otherwise dispose of Personal Property in the ordinary course of business, free and clear of the lien hereof, provided, and to the extent, that such sale or other disposition is permitted under the terms of the Credit Agreement (which is referred to below); and

(ii) as to the fixtures and equipment covered hereby, the leases and/or purchase money security interests pursuant to which Trustor has acquired an interest in such fixtures and equipment provided, and to the extent, that such leases and/or purchase money security interests are permitted under the terms of the Credit Agreement.

The Real Property and the Personal Property described hereinabove are hereinafter collectively referred to as the "Property". The parties intend for this Deed of Trust to create a lien on and security interest in the Property, and, as provided in Section 10 hereof entitled Assignment of Rents, an absolute assignment of the Rents, all in favor of Beneficiary. To the extent any of said Property and/or Rents are not encumbered by a perfected lien or security interest created above, and are not absolutely assigned by the assignment set forth in Section 10 below, it is the intention of the parties that such Property and/or Rents shall constitute "proceeds, product, offspring, rents or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Real Property and/or "fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in . . . lodging properties," as applicable (as such terms are defined in and for the purpose of Section 552(b) of the United States Bankruptcy Code, as such Section may be modified or supplemented).

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FOR THE PURPOSE OF SECURING:

First: Payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of: (i) the principal sum which is, at any time, advanced and unpaid under the Credit Facility (as defined in the Credit Agreement, referred to below), not to exceed One Hundred Eighty-five Million Dollars (\$185,000,000.00) at any one time, all on a reducing revolving line of credit basis; (ii) interest and other charges accrued on said principal sum, or accrued on interest and other charges then outstanding under the Credit Facility (all including, without limitation, interest and other charges that, but for the filing of a petition in bankruptcy with respect to Trustor, Harveys Casino Resorts, a Nevada corporation, Harveys C.C. Management Company, Inc., a Nevada corporation, Harveys Iowa Management Company, Inc., a Nevada corporation, and/or HCR Services Company, Inc., a Nevada corporation (collectively, "Borrowers") would accrue on such obligations); and (iii) any other obligations of Borrowers, or any or them, under the RLC Note referred to below; all according to the terms of an Amended and Restated Revolving Credit Promissory Note dated concurrently, or substantially concurrent, herewith which is made by Borrowers and is payable to the order of Beneficiary according to the tenor and effect of said Amended and Restated Revolving Credit Promissory Note, and all renewals, extensions, amendments, restatements, replacements, substitutions and other modifications thereof (hereinafter collectively referred to as the "RLC Note").

Second: Payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of: (i) the principal sum which is, at any time, advanced and unpaid under the Swingline Facility (as defined in the Credit Agreement), not to exceed Five Million Dollars (\$5,000,000.00) at any one time, all on a revolving line of credit basis; (ii) interest and other charges accrued on said principal sum, or accrued on interest and other charges then outstanding under the Swingline Facility (all including, without limitation, interest and other charges that, but for the filing of a petition in bankruptcy with respect to Borrowers, or any of them, would accrue on such obligations); and

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(iii) any other obligations of Borrowers, or any of them, under the S/L Note referred to below; all according to the terms of an Amended and Restated Swingline Note dated concurrently, or substantially concurrent, herewith which is made by Borrowers and is payable to the order of the Swingline Lender (which is referred to below) according to the tenor and effect of said Amended and Restated Swingline Note, and all renewals, extensions, amendments, restatements, replacements, substitutions and other modifications thereof (hereinafter referred to as the "S/L Note", and together with the RLC Note, collectively referred to as the "Notes").

Third: Payment and performance of every obligation, covenant, promise and agreement of Trustor herein contained or incorporated herein by reference (other than obligations which Trustor may have under Section 2 hereof to make payment or perform under the Environmental Certificate which is defined by Section 31 below), including any sums paid or advanced by Beneficiary or any of the Banks (which are defined below) pursuant to the terms hereof.

Fourth: Payment of the reasonable expenses and costs incurred or paid by Beneficiary or any of the Banks in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not by way of limitation, reasonable attorney's fees, court costs, witness fees, expert witness fees, collection costs, Trustee's fees and costs of a Trustee's Sale Guarantee, and reasonable costs and expenses paid by Beneficiary or any of the Banks in performing for Trustor's account any obligation of said Trustor.

Fifth: Payment of any sums which may hereafter be owing by Borrowers, or any of them, to any of the Banks or any of their affiliates, under the terms of any interest rate swap agreement, interest rate cap agreement, basis swap agreement, forward rate agreement, interest collar agreement or interest floor agreement to which Borrowers, or any of them, may be a party, or under any other agreement or arrangement to which Borrowers, or any of them, may be a party, which in each case is designed to protect Borrowers, or any of them, as the case may be, against fluctuations in interest rates or currency exchange rates with respect to any other indebtedness secured by the Deed of Trust.

Sixth: Payment of additional sums and interest thereon which may hereafter be loaned to Borrowers, or any of them, pursuant to the Credit Agreement when evidenced by a

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promissory note or notes which recite that this Deed of Trust is security therefor.

Seventh: Performance and payment of every obligation, warranty, representation, covenant, agreement and promise of Borrowers, or any of them, contained in, or established by, that certain Amended and Restated Credit Agreement (together with all extensions, renewals, amendments, restatements, substitutions and other modifications thereof, the "Credit Agreement") executed under date of December 9, 1998 by Borrowers, the Lenders therein named (each, together with their respective successors and assigns, individually referred to herein as a "Lender" and collectively referred to herein as the "Lenders"), the Swingline Lender therein named (together with its successors and assigns, referred to herein as the "Swingline Lender"), the L/C Issuer therein named (together with its successors and assigns, referred to herein as the "L/C Issuer"), and Wells Fargo Bank, National Association, as administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer (referred to herein, in such capacity, together with its successors and assigns, as the "Agent Bank" and, together with the Lenders, the Swingline Lender and the L/C Issuer, collectively referred to herein as the "Banks"), excluding, however, any obligation which Borrowers, or any of them, may have thereunder to perform any obligations under the Environmental Certificate.

The foregoing are described herein as the "Secured Obligations". All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. Such terms include, without limitation, any provisions in the Notes or the Credit Agreement which permit borrowing, repayment and reborrowing, or the making of future advances, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

It is the intention of Trustor and Beneficiary that: (i) this Deed of Trust shall constitute an "instrument" (as defined in NRS 106.330 as amended and recodified from time to time) which secures "future advances" (as defined in NRS 106.320 as amended and recodified from time to time) and which is governed pursuant to NRS 106.300 through 106.400 as amended and recodified from time to time; (ii) the obligations secured hereby shall include the obligation of Borrowers, or any of them, to repay "future advances" of "principal" (as

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defined in NRS 106.345 as amended and recodified from time to time) in an aggregate amount not to exceed One Hundred Eighty-five Million Dollars (\$185,000,000.00) outstanding at any one time; and (iii) the lien of this Deed of Trust shall secure the obligation of Borrowers, or any of them, to repay all such "future advances" with the priority set forth in NRS 106.370(1) as amended and recodified from time to time. Trustor acknowledges and agrees that the obligations of the Lenders and the Swingline Lender to advance funds under the Credit Facility and the Swingline Facility (collectively, the "Bank Facilities") in accordance with the terms and conditions of the Credit Agreement, are obligatory in nature and not subject to the provisions of NRS 106.300, et seq. Notwithstanding the foregoing, however, in the event that the advance of any funds under the Bank Facilities is deemed to be optional, then the maximum "principal" amount of such advances under the Bank Facilities, which are to be secured hereunder as "future advances" under NRS 106.320, shall be an aggregate amount not to exceed One Hundred Eighty-five Million Dollars (\$185,000,000.00) outstanding at any one time.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Certain Representations and Warranties of Trustor. Trustor represents, warrants and covenants that:

(a) this Deed of Trust creates a first priority deed of trust lien and/or, to the extent applicable, a first priority security interest on the Property, including, without limitation, the fee interest in Parcels 1 and 2 of the Land and the leasehold interest in Parcels 3 and 4 of the Land, all subject only to Tahoe Permitted Encumbrances (as defined in the Credit Agreement); and

(b) neither Trustor, nor any Affiliate thereof (as defined in the Credit Agreement), has any interest in any real property (other than the California Greenbelt Property which is defined in the Credit Agreement), not encumbered hereby, which is utilized in any material manner in connection with the use and/or operation of said Real Property or which is necessary and required for the use and operation of said Real Property.

2. Payment of Secured Obligations. Trustor shall pay, or cause to be paid, when due: (i) the principal of, and interest on, the indebtedness evidenced by the Notes; (ii) all charges, fees and other sums which are required to be paid under the Loan Documents (as defined in the Credit Agreement)

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including, without limitation, all reasonable costs, fees and expenses of this trust incurred by Beneficiary in connection with any Default (as defined in the Credit Agreement); (iii) the principal of, and interest on, any future advances secured by this Deed of Trust; and (iv) the principal of, and interest on, any other indebtedness secured by this Deed of Trust.

3. Compliance with Laws. Trustor shall comply in all material respects with all applicable existing and future laws, rules, regulations, orders, ordinances and requirements of all Governmental Authorities (as defined in the Credit Agreement), and with all recorded covenants and restrictions affecting the Real Property.

4. Maintenance of Property. Except to the extent that any of the following would be prohibited under, or would constitute a violation of, the terms and conditions of the Credit Agreement, Trustor agrees: (a) to properly care for and keep said Property in good condition and repair in accordance with Section 5.07 of the Credit Agreement; (b) not to remove, demolish or substantially alter any material building on the Real Property, except upon the prior written consent of Beneficiary; (c) to complete promptly and in a good and workmanlike manner any building or other improvement which may be constructed thereon, and to promptly pay and discharge or cause to be paid and discharged all claims and liens for labor done and materials and services supplied and furnished therefor, in accordance with Section 5.04 of the Credit Agreement (subject to Trustor's right to contest the validity or amount of mechanic's and/or materialman's liens in accordance with Section 5.04 of the Credit Agreement); (d) not to commit or permit any waste or deterioration of the Property (ordinary wear and tear, casualty and condemnation excepted); (e) not to commit, suffer or permit any act to be done, or condition to exist, in or upon said Property in material violation of any law, covenant, condition or restriction now, or hereafter, affecting said Property (including any which require alteration or improvement thereof); (f) to keep and maintain all grounds, sidewalks, roads, parking and landscaped areas situate on the Property in good and neat order and repair, in accordance with Section 5.07 of the Credit Agreement; (g) not to drill or extract or enter into any lease for the drilling for or extraction of oil, gas or other hydrocarbon substances or any mineral of any kind or character on or from the Property or any part thereof; (h) not to apply for, willingly suffer or permit any subdivision, change in zoning, material change in land use regulation, or inclusion

within a general improvement district or similar assessment mechanism, with regard to any portion of the Real Property without the prior written consent of Beneficiary (which consent shall not be unreasonably withheld so long as the action for which such consent is requested would not be reasonably likely to result in a Material Adverse Change, as defined in the Credit Agreement); and (i) except as otherwise permitted in the Credit Agreement, to do all other acts, in a timely and proper manner, which, from the character or use of the Property, may be reasonably necessary to maintain and preserve its value, the specific enumerations herein not excluding the general.

5. Insurance. During the continuance of this trust, Trustor shall obtain, or cause to be obtained, and shall maintain or cause to be maintained, at all times throughout the term of the Bank Facilities, at its own cost and expense, and shall deposit with Beneficiary, Certificates of Insurance, each in a form and substance, and at such times, as is required under Section 5.09 of the Credit Agreement. All monies received from "All Risk" insurance policies (including flood and earthquake policies) covering any of the Property shall be: (i) paid directly to Beneficiary and retained by Beneficiary or released to Borrowers by Beneficiary; or (ii) paid directly to Borrowers; all in accordance with Section 8.02 of the Credit Agreement. Nothing in this Deed of Trust shall be deemed to excuse Trustor from restoring, repairing and maintaining the Property, as herein provided, regardless of whether or not insurance proceeds are available for restoration, whether or not any such proceeds are sufficient in amount, or whether or not the Property can be restored to the same condition and character as existed prior to such damage or destruction.

6. Taxes and Assessments. Trustor shall pay all taxes, assessments and other governmental charges or levies affecting said Property, or any part thereof, in the manner required by the Credit Agreement except such taxes, assessments and other governmental levies as are being contested in good faith in the manner provided by Section 4.07 or Section 5.10 of the Credit Agreement.

7. Lien Claims. If any mechanic's lien or materialman's lien shall be recorded, filed or suffered to exist against the Property or any interest therein by reason of any work, labor, services or materials supplied, furnished or claimed to have been supplied and furnished in connection with any work of improvement upon the Property, said lien or

claim shall be paid, released or otherwise discharged of record to the extent required by, and in accordance with, Section 5.04 of the Credit Agreement.

8. Ground Leases.

(a) Trustor shall observe and perform each and every material obligation imposed upon it under the provisions of any of the Ground Leases. Trustor hereby specifically agrees that any failure by it to so observe and perform any such material obligation (a "Lease Obligation"), prior to expiration of any cure periods, to which Trustor is entitled under the applicable Ground Lease, shall constitute a default under this Deed of Trust with the same force and effect as if such Lease Obligation were specifically set forth in this instrument as an obligation of Trustor hereunder. In addition to any other rights or remedies which Beneficiary may have hereunder, or under the Credit Agreement, as a result of such default, Beneficiary may (so long as an Event of Default, as defined in the Credit Agreement, has occurred and is continuing), at its option and at Trustor's expense, enter upon the applicable Ground Lease Property and perform or cause to be performed work, labor, services or any act or thing to cure such unsatisfied Lease Obligation, including, without limitation, the payment of any rent, cost or charge payable by Trustor under the applicable Ground Lease. All such rights and remedies, which are set forth above, may be exercised from time to time and as many times as may be desired by the Beneficiary (to the extent such exercise is permitted hereunder); provided, however, Beneficiary shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Trustor under any of the Ground Leases. Trustor hereby agrees to indemnify the Beneficiary for, and to save it harmless from, any and all liability arising from any of the Ground Leases, or from this Deed of Trust, and this Deed of Trust shall not place responsibility for the control, care, management or repair of any of the property which is the subject of any of the Ground Leases upon the Beneficiary, or make the Beneficiary responsible or liable for any negligence in the management, operation, upkeep, repair or control of any of the Ground Leasehold Estates resulting in loss or injury or death to any tenant, guest, licensee, employee or stranger (except to the extent that such loss, injury or death is the result of Beneficiary's gross negligence or intentional misconduct).

(b) Trustor shall use its reasonable efforts to enforce, or cause to be enforced (as the case may be), the

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material obligations of the Lessor under the Ground Leases and if at any time during the existence and continuance of an Event of Default Beneficiary desires Trustor to exercise and enforce such material obligations under any of the Ground Leases, Trustor, after notice and demand by the Beneficiary specifying the obligation or obligations to be enforced, shall, at Trustor's cost, diligently and faithfully exercise and enforce such obligation or obligations, and the provisions of this Deed of Trust shall not be deemed to prohibit the Beneficiary from taking any action, including without limitation, legal proceedings which Beneficiary deems appropriate to exercise any of such rights or to enjoin any violation of any of the Ground Leases, but the Beneficiary shall have no obligation to take any such action.

(c) Trustor hereby assigns to Beneficiary to secure payment of the indebtedness secured hereby all rights, privileges, titles, and interests now or hereafter acquired by it under or by virtue of the Ground Leases, and any and all causes of action relating thereto or arising under the Ground Leases.

(d) The curing by Beneficiary of any material default by Trustor under any of the Ground Leases shall not remove or waive, as between Trustor and Beneficiary, the default which occurred hereunder by virtue of said material default under any such Ground Lease, and all sums expended by Beneficiary in order to cure any such material default and costs and expenses incurred by Beneficiary in connection with the curing of such material default shall be paid by Trustor to Beneficiary upon demand, with interest thereon at the "Default Rate" set forth in the Credit Agreement from the date of advancement until paid, and any such indebtedness shall be deemed to be secured by, and shall constitute a part of the indebtedness secured by this Deed of Trust.

(e) Trustor hereby represents and warrants that, as of the date hereof: (i) the Ground Leases are in full force and effect and are unmodified (except as otherwise set forth herein or in any of the Loan Documents); (ii) there are no existing material defaults under any of the Ground Leases by reason of an act or omission of the Trustor or, to the best of Trustor's knowledge, of the respective Lessor thereunder and, to the best of Trustor's knowledge, no event has occurred which with the lapse of time or the giving of notice, or both, will constitute a material default or authorize the Trustor or the respective Lessor thereunder to terminate any of the Ground Leases; and (iii) all rentals

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under the Ground Leases, if any, accrued to date have been paid and neither Trustor nor any of the Lessors thereunder claim any present charge, lien or claim of offset against any sums due under the terms of any of the Ground Leases.

(f) Trustor further covenants, warrants and represents that:

(i) Trustor shall not, without Beneficiary's prior written consent: (aa) subordinate or consent to the subordination of its interest under any of the Ground Leases to any mortgage, lien, encumbrance or other charge (other than this Deed of Trust); or (bb) cancel, terminate or surrender any of the Ground Leases, consent to any cancellation, termination or surrender of any of the Ground Leases, or permit any event to occur which would entitle the Lessor under any of the Ground Leases to terminate or cancel the respective Ground Lease;

(ii) Trustor shall give Beneficiary reasonably prompt notice of any material default under any of the Ground Leases or of the receipt of any notice of default from any of the Lessors and Trustor shall reasonably promptly furnish the Beneficiary with any and all information which the Beneficiary may reasonably request concerning the performance and observance of all covenants, agreements and conditions contained in any of the Ground Leases to be kept, observed and performed and concerning the compliance with all terms and conditions of the Ground Leases. Trustor hereby authorizes the Beneficiary or its representatives to make investigations and examinations concerning such performance, observance and compliance, and Trustor shall also promptly furnish the Beneficiary with any and all information which Beneficiary may request concerning (and including copies of) any and all notices, communications, plans, specifications or other instruments or documents received or given by Trustor in any way relating to or affecting the interest of Trustor or the respective Lessors under any of the Ground Leases;

(iii) Trustor shall not, without the prior express written consent of Beneficiary, permit the fee title to any portion of the Real Property to merge with any of the Ground Leasehold Estates. Trustor shall always keep the Ground Leasehold Estates separate and distinct, notwithstanding the union of such estate whether in the respective Lessor, or in a third party by purchase or otherwise; and in the case that Trustor acquires fee title or any other estate, title or interest in any of the Ground Lease Property, this

Deed of Trust shall attach to and cover and be a lien upon the fee title or such other estate so acquired (to the extent that said estate title or interest is not then encumbered hereby), and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and be covered by this Deed of Trust. Trustor shall notify the Beneficiary of any such acquisition by the Trustor and, upon written request of the Beneficiary, shall cause to be executed and recorded all such other and further assurances or other instruments in writing as may, in the opinion of the Beneficiary, be required to carry out the intent and meaning of this provision;

(iv) in the event that Park Cattle or any trustee for Park Cattle, as the case may be, rejects any of the Ground Leases, as contemplated by Subsection 365(h)(1) of the Bankruptcy Reform Act of 1978, as amended (the "Bankruptcy Code"), or as contemplated by any successor statute, then upon such occurrence, Trustor shall not, without the Beneficiary's express prior written consent, elect to treat the respective Ground Lease or the respective Ground Leasehold Estate as terminated under said Subsection 365(h)(1), or under any successive or similar provision, and any such election made without Beneficiary's prior written consent shall be void and ineffective; and

(v) Trustor shall, promptly after obtaining knowledge thereof, give written notice to the Beneficiary of any actual or contemplated filing by or against any of the Lessors or any of their respective successors and assigns, of a petition under the Bankruptcy Code. The aforesaid written notice shall set forth any information available to the Trustor concerning the date or anticipated date of such filing, the court in which such petition was filed or is expected to be filed, and the relief sought therein. The Trustor shall, to the extent legally permissible, and promptly after receipt thereof, deliver to the Beneficiary any and all notices, summonses, pleadings, applications and other documents received by it in connection with any such petition or in connection with any proceeding relating thereto.

9. Easements. If an easement or other incorporeal right (collectively, an "Easement") constitutes any portion of the Real Property, Trustor shall not amend, change, terminate or modify such Easement, or any right thereto or interest therein, if such Easement is material to operation of the Real Property, without the prior written consent of Beneficiary,

which consent may be withheld in Beneficiary's reasonable discretion, and any such amendment, change, termination or modification without such prior written consent shall be deemed void and of no force or effect. Trustor agrees to perform all obligations and agreements with respect to said Easement. Trustor shall not take any action or omit to take any action which would effect or permit the termination of any such Easement (other than a termination in accordance with the terms of such Easement which is not based upon a default by Trustor thereunder). Upon receipt of notice, or otherwise becoming aware, of any default or purported default under any Easement which is material to the Real Property, by any party thereto, Trustor shall promptly notify Beneficiary in writing of such default or purported default and shall deliver to Beneficiary copies of all material notices, demands, complaints or other communications received or given by Trustor with respect to any such default or purported default.

10. Assignment of Rents.

(a) As additional security, Trustor assigns the Rents to Beneficiary, including all of Trustor's interests in any and all Occupancy Agreements and confers upon Beneficiary the right, power and authority during the continuation of this trust, to collect the Rents, reserving unto Trustor the right at all times other than during the continuance of any Event of Default as defined in the Credit Agreement, to collect and retain the Rents as they may become due and payable. Upon the occurrence and during the continuance of any Event of Default as defined in the Credit Agreement, Beneficiary may, at any time, by a receiver to be appointed by a court of competent jurisdiction in accordance with subsection 20(b) below, enter upon and take possession of said Property, or any part thereof, and exercise such rights and remedies as are provided by subsections 20(b) and 20(c) below including, without limitation, suing for or otherwise collecting the Rents (including those past due or unpaid) and applying the same, less costs and expenses of operation and collection (including reasonable attorneys' fees), upon any indebtedness and/or obligations secured hereby, and in such order as is required under the Credit Agreement. The entering upon and taking possession of said Property, or any part thereof, or the collection of the Rents or the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(b) Trustor hereby represents that there are no assignments or pledges of any leases of, or rentals or income from, said Property now in effect (except for the Tahoe Permitted Encumbrances as defined in the Credit Agreement), and covenants that, until Bank Facility Termination (as defined in the Credit Agreement), it will not make any such assignment or pledge (other than Tahoe Permitted Encumbrances) to anyone other than Beneficiary.

11. Performance by Trustee or Beneficiary. Should Trustor fail to make any payment or perform any act which it is obligated to make or perform hereunder or under the Credit Agreement, the failure of which could reasonably be expected to result in a Material Adverse Change (as defined in the Credit Agreement) then the Trustee, or Beneficiary, at the election of either of them, upon giving reasonable notice to Trustor, or any successor in interest of Trustor, and without releasing Trustor from any obligation hereunder, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its discretion, it may deem necessary therefor. To the extent provided by Section 5.12 of the Credit Agreement, all sums incurred or expended by the Trustee, or Beneficiary, under the terms hereof, shall become due and payable by Trustor to the Beneficiary, on the next interest or instalment payment date under any of the promissory notes secured hereby and shall bear interest until paid at an annual percentage rate equal to the Default Rate expressed in the Credit Agreement. In no event shall such payment or performance of any such act by Trustee or Beneficiary be construed as a waiver of the default occasioned by Trustor's failure to make such payment(s) or perform such act(s).

12. Actions Affecting Property. Trustor promises and agrees that if, during the existence of this trust, there shall be commenced or pending any suit or action affecting said Property, or any part thereof, or the title thereto, or if any adverse claim for or against said Property, or any part thereof, be made or asserted, it will appear in and defend any such matter purporting to affect the security of this Deed of Trust and will pay all costs and damages arising because of such action.

13. Eminent Domain. Any award of damages in connection with any condemnation or similar actions in regard to said Property, or any part thereof, shall be: (i) paid directly to Beneficiary and shall be retained by Beneficiary or released to Borrowers by Beneficiary; or (ii) paid directly

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to Borrowers; all in accordance with Section 8.02 of the Credit Agreement.

14. Subrogation. To the extent that any sums advanced by Beneficiary are used to pay any outstanding lien, charge or prior encumbrance against the Property, such sums shall be deemed to have been advanced by Beneficiary at the request of Trustor and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether said liens, charges or encumbrances are released.

15. Due on Sale. If Trustor shall be voluntarily, or involuntarily, divested of title or possession of any Property, by merger or otherwise, or shall lease, sell, convey, further encumber or in any other manner voluntarily or involuntarily alienate any of its interest in any of the Property, or shall enter into an agreement to do any of the foregoing, other than as permitted in the Credit Agreement, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any notes evidencing the same, shall at the option of Beneficiary, and upon the giving of any notice, and expiration of any time period after such notice, which may be required under the Credit Agreement, immediately become due and payable.

16. Partial or Late Payment. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

17. Certain Acts by Trustee or Beneficiary. At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and, if required by Trustee, upon presentation of this Deed of Trust and the Notes secured hereby for endorsement, and without affecting the effect of this Deed of Trust upon the remainder of said Property, Trustee may: reconvey to Trustor any part of said Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or subordination agreement in connection herewith. The Beneficiary may without notice to or consent of Trustor extend the time of the payment of any indebtedness secured hereby to any successors in interest of Trustor without discharging Trustor from liability thereon.

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18. Full Reconveyance.

(a) Upon receipt of written request from Beneficiary (the "Beneficiary's Request") reciting that all obligations under the Notes and any other notes secured hereby, and all other sums then secured hereby, have been paid and, if required by Trustee, upon surrender of this Deed of Trust and the Notes secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty or recourse and at the expense of Trustor, the Property then held hereunder, and the assignment set forth by Section 10 above shall be of no further force or effect. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".

(b) Beneficiary shall issue the Beneficiary Request, in accordance with subsection (a) above, and at Trustor's expense, within a reasonable period of time after Bank Facilities Termination. Beneficiary and Trustee shall, at Trustor's expense, execute such instruments (including, without limitation, Uniform Commercial Code termination statements) as may be reasonably requested in writing to evidence reconveyance or release of the lien and/or security interest of this Deed of Trust with respect to any Property sold, assigned, conveyed or otherwise transferred in accordance with the Credit Agreement.

19. Right of Beneficiary and Trustee to Appear.

If, during the existence of the trust, there be commenced or pending any suit or action affecting the Property, or any part thereof, or the title thereto, or if any adverse claim for or against the Property, or any part thereof, be made or asserted, the Trustee or Beneficiary (unless such suit, action or claim is being contested in good faith by Trustor and Trustor shall have established and maintained adequate reserves in accordance with generally accepted accounting principles for the full payment and satisfaction of such suit or action if determined adversely to Trustor), may appear or intervene in the suit or action and retain counsel therein and defend same, or otherwise take such action therein as they may be advised, and may settle or compromise same or the adverse claim; and in that behalf and for any of the purposes may pay and expend such sums of money as the Trustee or Beneficiary may deem to be necessary and Trustor shall reimburse Trustee,

or Beneficiary, as the case may be, for such sums expended, together with accrued interest thereon, at the Default Rate which is defined in the Credit Agreement.

20. Remedies. Upon the occurrence, and during the continuance, of any Event of Default, as defined in the Credit Agreement, Beneficiary and/or Trustee will be entitled to invoke any and all of the following rights and remedies, all of which will be cumulative, it being provided that exercise of any one or more of such rights and remedies shall not constitute an election of remedies:

(a) With respect to any Event of Default as defined in any of subsections 7.01(a) through (e) or (i) through (w) of the Credit Agreement, all sums secured hereby shall, at the option of Beneficiary, and upon the giving of notice required by the Credit Agreement, if any, become immediately due and payable. With respect to any Event of Default as defined in any of subsections 7.01(f), (g) or (h) of the Credit Agreement, all sums secured hereby shall automatically become due and payable without notice and without any action on the part of Beneficiary.

(b) Beneficiary may apply to any court of competent jurisdiction, by ex parte application or otherwise, for, and obtain appointment of, a receiver for the Property or any part thereof, without notice to Trustor or anyone claiming under Trustor, as a matter of absolute right, and without regard to the then value of the Property, the adequacy of any security for the obligations secured hereby or the solvency of any person or entity liable therefor, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers of receivers in like or similar cases and all the powers of Beneficiary in case of entry as provided by subsection (c) below and as provided in the Credit Agreement and shall continue as such and exercise all such powers until the termination of such receivership with the consent of Beneficiary or pursuant to an order of a court of competent jurisdiction. All reasonable expenses incurred by the receiver or his agents, including obligations to repay funds borrowed by the receiver, shall constitute a part of the obligations secured hereby. Any revenues collected by the receiver shall be applied first to the expenses of the receivership, including attorneys' fees incurred by the receiver and by Beneficiary, together with interest thereon at the Default Rate (as defined the Credit Agreement) from the date incurred until repaid, and the

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balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct. Beneficiary may also request, in connection with any foreclosure proceeding hereunder, that the Nevada Gaming Commission petition a District Court of the State of Nevada for the appointment of a supervisor to conduct the normal gaming activities on the Property following such foreclosure proceeding.

(c) Beneficiary, in person, by agent or by court appointed receiver, under subsection (b) above, may enter, take possession of, manage and operate all or any part of the Property, subject to applicable laws, and may also do any and all other things in connection with those actions that Beneficiary may, in its sole discretion, consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include, among other things, any of the following: taking and possessing all of Trustor's or the then owner's books and records with respect to the Property; obtaining and evicting tenants in accordance with any applicable leases; fixing or modifying rents in accordance with any applicable leases; collecting and receiving any payment of money owing to Trustor with respect to the Property; completing construction; and contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Real Property in violation of any of the Loan Documents (as defined in the Credit Agreement) and make all of it available to Beneficiary at the site of the Real Property. Trustor hereby irrevocably constitutes and appoints Beneficiary (or, if applicable, Beneficiary's receiver) as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures. All reasonable expenses incurred by Beneficiary or its agents under this subsection 20(c) shall constitute a part of the obligations secured hereby. Any revenues collected by Beneficiary shall be applied first to the expenses so incurred (including attorneys' fees) together with interest thereon at the Default Rate (as defined the Credit Agreement) from the date incurred until repaid, and the balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct. Regardless of any provision of this Deed of Trust, or the Credit Agreement, Beneficiary shall not be considered to have accepted any personal property (other than cash or immediately available funds which have been actually delivered to Beneficiary and are not held in the hands of a receiver or other third party) in satisfaction of

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any obligation of Trustor to Beneficiary, unless Beneficiary has given express written notice of Beneficiary's election of that remedy in accordance with the Nevada Uniform Commercial Code-Secured Transactions, as it may be amended or recodified from time to time.

(d) If the notice of breach and election to sell which is required by Chapter 107 of the Nevada Revised Statutes shall be first recorded, and if the time period after such recording, which is required by Chapter 107 of the Nevada Revised Statutes, shall have elapsed, then Trustee, its successors or assigns, on demand by Beneficiary, shall sell the above-granted premises, in order to accomplish the objects of these trusts, in the manner following, namely:

(i) the Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of the State of Nevada for the sale of real property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place previously appointed and advertised for such sale (as such time may have been extended), and: (aa) on the day of sale so advertised, the Trustee may, in its discretion, sell the property so advertised, or any portion thereof, in one or more lots; and (bb) on any day to which such sale may have been postponed, the Trustee may, in its discretion, sell all or any portion of the property then remaining unsold, in one or more lots; all at public auction, at the time and place specified in the notice, either in the county in which the property, or any part thereof, to be sold, is situated, or at the principal office of the Trustee, in its discretion, to the highest cash bidder. The Beneficiary, Trustee, obligee, creditor, or the holder or holders of the Notes (and/or other obligations) secured hereby may bid (including by credit bid with respect to all or any portion of the obligations secured hereby) and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

(ii) the Trustee, upon such sale, shall make (without warranty), execute and, after due payment made, deliver to purchaser or purchasers, his, her or their heirs or assigns, a deed or deeds of the premises so sold which shall convey to the purchaser all the title of the Trustor in the

trust premises, and shall apply the proceeds of the sale thereof in accordance with the terms and conditions of the Credit Agreement. The recital in any such deed, of: (aa) default; (bb) recording notice of breach and election of sale; (cc) the elapsing of the three (3) month period after such recording; (dd) the giving of notice of sale; and (ee) demand by Beneficiary, its heirs or assigns, that such sale should be made; shall be conclusive proof of such default, recording, elapsing of time and of the due giving of notice and that the sale was regularly and validly made on due and proper demand by Beneficiary, its heirs and assigns; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustor or its successors and assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid.

(e) The rights and remedies of Beneficiary upon the occurrence, and during the continuance, of one or more Events of Default as defined in the Credit Agreement (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, by any Loan Document, as defined in the Credit Agreement, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order. The exercise by Beneficiary or Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. Without limiting the generality of the foregoing, to the extent that this Deed of Trust covers both Real Property and Personal Property, Beneficiary may, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order:

(i) proceed as to both the Real Property and Personal Property in accordance with Beneficiary's rights and remedies in respect of the Real Property; or

(ii) proceed as to the Real Property in accordance with Beneficiary's rights and remedies in respect of the Real Property and proceed as to the Personal Property

in accordance with Beneficiary's rights and remedies in respect of the Personal Property.

If Beneficiary should elect to proceed as to both the Real Property and Personal Property collateral in accordance with Beneficiary's rights and remedies in respect to the Real Property:

(i) all, or any portion of, the Real Property and all, or any portion of, the Personal Property may be sold, in the manner and at the time(s) and place(s) provided in this Deed of Trust, in one lot, or in separate lots consisting of any combination or combinations of Real Property and Personal Property, as the Beneficiary may elect, in the sole discretion of Beneficiary.

(ii) Trustor acknowledges and agrees that a disposition of the Personal Property collateral in accordance with Beneficiary's rights and remedies in respect of Real Property, as hereinabove provided, is a commercially reasonable disposition of said collateral.

If Beneficiary should elect to proceed as to the Personal Property collateral in accordance with Beneficiary's rights and remedies with respect to personal property, Beneficiary shall have all the rights and remedies conferred on a secured party by the Uniform Commercial Code-Secured Transactions (NRS 104.9101 et seq.; as amended and recodified from time to time). Beneficiary may, in the sole discretion of Beneficiary, appoint Trustee as the agent of Beneficiary for the purpose of disposition of the Personal Property in accordance with the Uniform Commercial Code-Secured Transactions.

(f) Every right, power and remedy granted to Trustee or Beneficiary in this Deed of Trust shall be cumulative and not exclusive, and in addition to all rights, powers and remedies granted at law or in equity or by statute, and each such right, power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary, and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the time or thereafter, any other right, power or remedy.

21. Substitution of Trustee. The Beneficiary or its assigns may, from time to time, appoint another trustee, or trustees, to execute the trust created by this Deed of

Trust or other conveyance in trust. Upon the recording of an acknowledged instrument executed by Beneficiary and providing for such appointment, the new trustee or trustees shall be vested with all the title, interest, powers, duties and trusts in the premises vested in or conferred upon the original trustee. If there be more than one trustee, either may act alone and execute the trusts upon the request of the Beneficiary, and all his acts thereunder shall be deemed to be the acts of all trustees, and the recital in any conveyance executed by such sole trustee of such request shall be conclusive evidence thereof, and of the authority of such sole trustee to act.

22. Binding Nature. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. It is expressly agreed that the Trust created hereby is irrevocable by Trustor. If there is more than one trustor hereunder, the obligations of said trustors hereunder shall be joint and several.

23. Acceptance of Trust; Recognition by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

24. Waiver of Certain Rights by Trustor. Trustor hereby waives any right it may now or hereafter have to require Beneficiary, as a condition to the exercise of any remedy or other right against Trustor hereunder or under any other Loan Document executed by Trustor in connection with any Secured Obligation: (a) to proceed against any Borrower or other person, or against any other collateral pledged to Beneficiary by any Borrower or other person; (b) to pursue any other right or remedy in Beneficiary's power; or (c) to make or give (except as otherwise expressly provided in the Loan Documents) any presentment, demand, protest, notice of dishonor, notice of protest or other demand or notice of any kind in connection with any Secured Obligation or any collateral for any Secured Obligation.

25. Attorney-in-Fact. Upon the occurrence, and during the continuance, of an Event of Default as defined in Section 7.01 of the Credit Agreement, Trustor shall be deemed

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to have appointed and does hereby appoint Beneficiary the attorney-in-fact of Trustor to: (i) prepare, sign, file and/or record one or more financing statements, any documents of title or registration, or any similar papers; and (ii) take any other action(s) deemed necessary, useful or desirable by Beneficiary to perfect and preserve the lien and/or security interest of this Deed of Trust against the rights or interests of third persons.

26. Environmental Indemnity.

(a) Trustor agrees to indemnify, protect, defend and save harmless Beneficiary, each of the Banks and their respective trustees, officers, employees, agents, attorneys and shareholders (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") from and against any and all losses, damages, expenses or liabilities, of any kind or nature from any investigations, suits, claims, demands or other proceedings, including reasonable counsel fees incurred in investigating or defending such claim, suffered by any of them and caused by, relating to, arising out of, resulting from or in any way connected with: (a) the presence in, on or under the Property of any Hazardous Materials, as defined by reference in the Credit Agreement, or any releases or discharges of any Hazardous Materials on, under or from the Property; (b) any violation of Hazardous Materials Laws (as defined in the Credit Agreement); or (c) any activity carried on or undertaken on or off the Property, whether prior to or during the term of any of the Bank Facilities, and whether by Trustor or any predecessor in title or any employees, agents, contractors or subcontractors of Trustor or any predecessor in title, or any third persons at any time occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Materials at any time located or present on or under the Property. The foregoing indemnity shall further apply to any residual contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources, arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. It is provided, however, that Trustor shall not be obligated to indemnify, protect, defend or save harmless an Indemnified Party if, and to the extent that, any such loss, damage, expense or liability was caused by: (i) the gross

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negligence or intentional misconduct of such Indemnified Party; or (ii) the breach of this Deed of Trust, the Credit Agreement or any other Loan Document by such Indemnified Party or the breach of any laws, rules or regulations by an Indemnified Party (other than those breaches of laws arising from Trustor's default). Trustor hereby acknowledges and agrees that, notwithstanding any other provision of this Deed of Trust or any of the other Loan Documents to the contrary, the obligations of Trustor under this Section 26 shall be unlimited personal obligations of Trustor and shall survive any foreclosure under this Deed of Trust, any transfer in lieu thereof, any reconveyance of this Deed of Trust and any satisfaction of the obligations which are secured hereby. Trustor acknowledges that Beneficiary's appraisal of the Property is such that Beneficiary would not extend the loans evidenced by the Notes but for the personal liability undertaken by Trustor for the obligations under this Section 26. Trustor and Beneficiary agree that any obligations of Trustor under this Section 26 which may also be obligations of Trustor under the Environmental Certificate (which is referred to below) shall be deemed to arise solely under this Section 26 and not under the Environmental Certificate. The obligations of Trustor under this Section 26 are separate from and in addition to the obligations to pay the indebtedness evidenced by the Notes, the obligations under the Credit Agreement and the other obligations secured by, or imposed under, this Deed of Trust. The liability of Trustor under this Section 26 shall not be limited to or measured by the amount of the indebtedness owed under the Notes or this Deed of Trust or the value of the Property. Trustor shall be fully and personally liable for all obligations of Trustor under this Section 26 and a separate action may be brought and prosecuted against Trustor under this Section 26. Trustor waives the right to assert any statute of limitations as a bar to the enforcement of this Section 26 or to any action brought to enforce this Section 26. This Section 26 shall not affect, impair or waive any rights or remedies of Beneficiary or any obligations of Trustor with respect to Hazardous Materials created or imposed by Hazardous Materials Laws (including Beneficiary's rights of reimbursement or contribution under Hazardous Materials Laws). The remedies under this Section 26 are cumulative and in addition to all remedies provided by law.

(b) In case any action shall be brought against any Indemnified Party based upon any of the above and in respect to which indemnity may be sought against Trustor, Beneficiary shall promptly notify Trustor in writing, and

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Trustor shall assume the defense thereof, including the employment of counsel selected by Trustor and reasonably satisfactory to Beneficiary, the payment of all costs and expenses and the right to negotiate and consent to settlement. Upon reasonable determination made by an Indemnified Party that such counsel would have a conflict representing such Indemnified Party and Trustor, the applicable Indemnified Party shall have the right to employ, at the expense of Trustor, one separate counsel in any such action and to participate in the defense thereof. Trustor shall not be liable for any settlement of any such action effected without its consent, but if settled with Trustor's consent, or if there be a final judgment for the claimant in any such action, Trustor agrees to indemnify, defend and save harmless such Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. In the event that any party is adjudged by a court of competent jurisdiction not to have been entitled to indemnification under this Section 26, it shall repay all amounts with respect to which it has been so adjudged, together with interest thereon at the Base Rate (as defined in the Credit Agreement) plus the Applicable Margin (as also defined in the Credit Agreement). If and to the extent that the indemnification provisions contained in this Section 26 are unenforceable for any reason, the Borrowers hereby agree to make the maximum contribution to the payment and satisfaction of such obligations that is permissible under applicable law.

27. Governing Law. This Deed of Trust shall, in all respects, be governed by and construed in accordance with the internal laws of the State of Nevada without regard to conflict of law principles.

28. Fixture Filing. This Deed of Trust is intended to be a fixture filing under NRS 104.9402. The address of Beneficiary from which information may be obtained concerning

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the security interest granted hereunder and the mailing address of Trustor are as follows:

Beneficiary: Wells Fargo Bank,
National Association
Commercial Banking Division
P.O. Box 300
Reno, NV 89504
Attn: Sue Fuller, V.P.

Trustor: Harveys Tahoe Management Company,
Inc.
Highway 50 and Stateline Avenue
P.O. Box 128
Stateline, NV 89449

29. Principal Place of Business. Trustor's principal place of business is in the State of Nevada at Stateline. Trustor does not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustor will immediately notify Beneficiary in writing of any change in its place of business or the adoption or change of any trade name or fictitious business name by it, and will upon request of Beneficiary, execute any additional financing statements or other certificates necessary to reflect any such adoption or change in trade name or fictitious business name.

30. Credit Agreement. This Deed of Trust has been executed pursuant to and is subject to the terms of the Credit Agreement executed under date of December 9, 1998 and is one of the Loan Documents referred to therein. Trustor agrees to observe and perform all provisions contained in the Credit Agreement and in the other Loan Documents. Except as otherwise provided herein, any consent, notice or other communication which is required or permitted hereunder shall be in writing and shall be delivered in the manner which is set forth by Section 10.03 of the Credit Agreement.

31. Environmental Certificate. Concurrently, or substantially concurrent, herewith Borrowers have executed an instrument entitled "Certificate and Indemnification Regarding Hazardous Materials" (which, together with all amendments, modifications, extensions, renewals or restatements thereof, is referred to herein as the "Environmental Certificate"). The obligations of Trustor under the Environmental Certificate are not secured by this Deed of Trust.

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STATE OF NEVADA)
) SS
COUNTY OF WASHOE)

This instrument was acknowledged before me on January 27, 1999 by SUE FULLER as Vice President of WELLS FARGO BANK, National Association.

Melissa M Fry

Notary Public



COPY

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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° 57' 22" East along the Westerly line of said U.S. Highway 50, a distance of 154.80 feet; thence North 56° 30' West, a distance of 291.50 feet; thence North 27° 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° 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° 43' 15" East, a distance of 211.24 feet and South 41° 16' 45" West, a distance of 50.00 feet to a point on said California-Nevada State Line; thence South 48° 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° 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° 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° 14' 14" West, a distance of 305.48 feet; thence third course South 27° 57' 22" West, a distance of 266.35 feet; thence fourth course South 56° 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 A

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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 07-140-09

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 line 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 07-140-10

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 07-140-10

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COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER

\$50.00 PAID *ko* DEPUTY