

Prepared by and when
recorded mail to:

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

SL224270

**AMENDED AND RESTATED ASSIGNMENT OF
SPACELEASES, CONTRACTS, RENTS AND REVENUES
(TAHOE)**

THIS AMENDED AND RESTATED ASSIGNMENT OF SPACELEASES, CONTRACTS, RENTS AND REVENUES (TAHOE) ("Assignment") is made and entered into as of January 27, 1999 by and between HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation (the successor in title to Harveys Casino Resorts, a Nevada corporation), hereinafter referred to as "Assignor", party of the first part, and WELLS FARGO BANK, National Association (the successor by merger to First Interstate Bank of Nevada, N.A.), as the administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer (all of which are defined in the Credit Agreement referred to below), hereinafter referred to, together with its successors and assigns, in such capacity, as "Agent Bank", party of the second part.

R E C I T A L S :

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 administrative and collateral 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

htm-sp.asn/hcr98-1
012799mmf

LAW OFFICES OF
HENDERSON & MORGAN, LLC
164 HUBBARD WAY
SUITE B
RENO, NEVADA 89502

0459902

BK0199PG5838

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 letters of credit for the account of Original Borrowers (the "Existing L/C Facility" and, together with the Existing Credit Facility and Existing Swingline Facility, collectively referred to herein as the "Existing Bank Facilities").

B. As additional security for, among other things, Original Borrowers' payment and performance under the Original Credit Agreement and the Existing Bank Facilities, HCR, as assignor, executed and delivered an Assignment of Spaceleases, Contracts, Rents and Revenues (Tahoe), under date of August 14, 1995, for the benefit of Original Agent, as assignee, which instrument was recorded in the Official Records of Douglas County, Nevada (the "Official Records") on August 16, 1995 in Book 0895 at Page 2571 as Document No. 368425 (the "Existing Assignment"); pursuant to which, among other things, HCR made a present assignment of various spaceleases, contracts, rents and revenues related to the real property which is particularly described by "Exhibit A" attached hereto and incorporated by reference herein (the "Land"), all as more particularly set forth therein.

C. 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

htm-sp.asn/hcr98-1
012799mmf

2

July 25, 1997 (the "Fourth Amendment to Credit Agreement") by and among Original Borrowers, HWLLC, Assignor 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".

D. Concurrently with execution and delivery of the Fourth Amendment to Credit Agreement, HCR conveyed, among other things, the Land, and various real and personal property associated therewith, to Assignor, and Assignor assumed, among other things: (i) all obligations of HCR under the Existing Assignment; and (ii) all obligations under the Existing Credit Agreement and the Existing Bank Facilities (on a joint and several basis with the other Existing Borrowers).

E. On December 9, 1998, Original Borrowers, Assignor 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 Agent Bank, pursuant to which, among other things, the terms and conditions of the Existing Credit Agreement and the Existing Bank Facilities have all been amended and restated, which modifications include, without limitation, an increase in the 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 Existing Bank Facilities, as so amended and restated, and as they may hereafter be extended, renewed, amended, restated or otherwise modified, are collectively referred to herein as the "Bank Facilities".

F. Assignor and Agent Bank wish to amend and restate the Existing Assignment for the purpose, among other things, of confirming that the assignment which is evidenced thereby serves as additional security for Borrowers' payment and performance of their obligations under the Credit Agreement and the Bank Facilities.

NOW, THEREFORE, for the purpose, among other things, of: (i) amending and restating the Existing Assignment; and (ii) confirming that the assignment evidenced thereby serves as additional security for Borrowers' payment and performance of their obligations under the Credit Agreement and the Bank

Facilities; and for other good and valuable consideration, the parties hereto do agree that the Existing Assignment shall be amended and restated to read, in its entirety, as follows:

**AMENDED AND RESTATED ASSIGNMENT OF
SPACELEASES, CONTRACTS, RENTS AND REVENUES
(TAHOE)**

THIS AMENDED AND RESTATED ASSIGNMENT OF SPACELEASES, CONTRACTS, RENTS AND REVENUES (TAHOE) ("Assignment") is made and entered into as of January 27, 1999 by and between HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation (the successor in title to Harveys Casino Resorts, a Nevada corporation), hereinafter referred to as "Assignor", party of the first part, and WELLS FARGO BANK, National Association (the successor by merger to First Interstate Bank of Nevada, N.A.), as the administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer (all of which are defined in the Credit Agreement referred to below), hereinafter referred to, together with its successors and assigns, in such capacity, as "Agent Bank", party of the second part.

R E C I T A L S:

WHEREAS:

A. Assignor is the owner of a fee simple interest in a portion of the real property which is situated in the County of Douglas, State of Nevada which is particularly described by "Exhibit A" attached hereto (the "Land") and Assignor is the owner of a leasehold interest in the remaining portion of the Land. All references herein to the "Real Property" shall be to: (i) the Land; (ii) all real property which is adjacent to, or used in connection with, the Land and in which Assignor now owns, or hereafter acquires, an interest (the "Adjacent Property"); and (iii) all tenements, hereditaments and appurtenances to the Land or the Adjacent Property.

B. Reference is made to that certain Amended and Restated Credit Agreement (as it may be hereafter renewed, extended, amended, restated or otherwise modified, the "Credit Agreement") executed under date of December 9, 1998 by and among Assignor, Harveys Casino Resorts, a Nevada corporation, Harveys C.C. Management Company, Inc., a Nevada corporation, Harveys Iowa Management Company, Inc., a Nevada corporation, and HCR Services Company, Inc., a Nevada corporation

htm-sp.asn/hcr98-1
012799mmf

(collectively, the "Borrowers"), the Lenders therein named (each, together with their respective successors and assigns, individually being referred to herein as a "Lender" and collectively as the "Lenders"), the Swingline Lender therein named (referred to herein, together with its successors and assigns, as the "Swingline Lender"), the L/C Issuer therein named (referred to herein, together with its successors and assigns, as the "L/C Issuer"), and Agent Bank. Agent Bank, the Lenders, the Swingline Lender and the L/C Issuer are collectively referred to herein as the "Banks". All capitalized words and terms which are used herein (and which are not otherwise defined herein) shall have the respective meanings and be construed herein as provided in Section 1.01 of the Credit Agreement and any reference to a provision of the Credit Agreement shall be deemed to incorporate that provision as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

C. Pursuant to the Credit Agreement, and subject to the terms and conditions specified therein, the Lenders have agreed to provide a reducing revolving credit facility to Borrowers with an initial maximum principal amount of One Hundred Eighty-five Million Dollars (\$185,000,000.00) available for Borrowings thereunder (together with all extensions, renewals, amendments, substitutions and other modifications thereof, the "Credit Facility"), which Credit Facility includes: (i) a subfacility for funding of Swingline Advances by the Swingline Lender on shorter notice and in lesser amounts than would otherwise be required for Borrowings under the Credit Facility (together with all extensions, renewals, amendments, substitutions, and other modifications thereof, the "Swingline Facility"); and (ii) a subfacility for issuance of Letters of Credit by the L/C Issuer for the account of Borrowers, or any of them (together with all extensions, renewals, amendments, substitutions, and other modifications thereof, the "L/C Facility" and, together with the Credit Facility and the Swingline Facility, the "Bank Facilities"); all as more particularly set forth by the Credit Agreement.

D. It is a condition of the Bank Facilities that all of Assignor's right, title and interest in and to:

(i) any leases and purchase contracts which are now existing or are hereafter entered into, for furniture, fixtures, equipment, signs and other items of personal property which are used in connection with, or which relate to: (aa) the Real

Property or the Tahoe Hotel/Casino Facility conducted on, or in connection with, the Real Property; or (bb) any other business activity now, or hereafter, conducted by, or on behalf of, Assignor on, or in connection with, the Real Property (collectively, the "Additional Business(es)"); all together with any and all modifications, extensions, or renewals thereof (collectively, the "Equipment Leases and Contracts"); the terms of this Paragraph (i) notwithstanding, the following are excluded from the Equipment Leases and Contracts 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) leases and purchase contracts existing as of the date of this Assignment, the terms of which prohibit the assignment of an interest therein (which determination shall be made without taking into consideration any modification thereof which is made subsequent to the date of this Assignment);

(y) leases and purchase contracts entered into subsequent to the date of this Assignment, the terms of which prohibit the assignment of an interest therein, provided that, prior to Assignor's entry into any such lease or purchase contract, Assignor has obtained Agent Bank's consent thereto, which consent shall not be unreasonably withheld; and

(z) leases and purchase contracts, the terms of which prohibit the assignment of an interest therein provided that the amount of any such lease or purchase contract (determined in accordance with the Credit Agreement) does not exceed Twenty-five Thousand Dollars (\$25,000.00).

(ii) any spaceleases and concession agreements which now or hereafter relate to any portion of the Real Property, and all extensions, renewals, amendments and modifications thereof (collectively, the "Spaceleases"); and

htm-sp.asn/hcr98-1
012799mmf

(iii) all present and future rents, issues, profits, products, earnings, income, proceeds, payments, revenue, receipts and deposits (collectively, the "Proceeds") which relate to, or are derived from, the Real Property, the Tahoe Hotel/Casino Facility, or any Additional Business, including, without limitation, present and future Proceeds, of any nature whatsoever, derived from, or received with respect to, casinos, bars, restaurants, banquet facilities, convention facilities, retail premises and other facilities related to, or used in connection with, the Real Property, and also including without limitation, Proceeds from leases, subleases, licenses, concessions, franchises or other use or occupancy agreements covering any of the Real Property or entered into in connection with any of the Real Property (collectively, the "Rents and Revenues");

be presently assigned to Agent Bank as additional security for the Bank Facilities and as additional security for the performance of all obligations to be performed by Borrowers, or any of them, pursuant to the Credit Agreement and the other Loan Documents (other than the Environmental Certificate) upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the Bank Facilities, Assignor does hereby presently, absolutely and unconditionally assign to the Agent Bank all of its right, title and interest in and to the Equipment Leases and Contracts, the Spaceleases and the Rents and Revenues as follows:

1. Assignor does hereby grant, assign and convey unto Agent Bank all the right, title, interest and privilege which Assignor has or may hereafter acquire, in or to: (i) all Equipment Leases and Contracts and/or Spaceleases which now exist or may hereafter be entered into; and (ii) the Rents and Revenues. Without limiting the generality of the foregoing, Agent Bank shall have the present and continuing right with full power and authority, in its own name, or in the name of Assignor, or otherwise: (aa) to do any and all things which Assignor may be or may become entitled to do under the Equipment Leases and Contracts and/or Spaceleases, and the right to make all waivers and agreements, give all notices, consents and releases and other instruments and to do any and all other things whatsoever which Assignor may be or may become entitled to do under said Equipment Leases and

htm-sp.asn/hcr98-1
012799mmf

7

LAW OFFICES OF
HENDERSON & MORGAN, LLC
164 HUBBARD WAY
SUITE B
RENO, NEVADA 89502

0459902

BK0199PG5844

Contracts and/or Spaceleases; and (bb) to make claim for, enforce, collect, receive and make receipt (in its own name, or the name of Assignor, or otherwise) for any and all of the Rents and Revenues and to do any and all things which Assignor is or may become entitled to do for the collection of the Rents and Revenues.

2. The acceptance of this Assignment and the payment or performance under the Equipment Leases and Contracts, the Spaceleases, and/or the Rents and Revenues hereby assigned shall not constitute a waiver of any rights of the Agent Bank or of the Banks under the terms of the Credit Agreement or any other Loan Document for the benefit of the Agent Bank or of the Banks.

3. Assignor shall keep and perform the following with respect to the Equipment Leases and Contracts and the Spaceleases:

(a) Except as may be permitted in the Credit Agreement, Assignor will not further assign any interest in the Equipment Leases and Contracts or in the Spaceleases, or create or permit any lien, charge, or encumbrance upon its interests in the Equipment Leases and Contracts or in the Spaceleases;

(b) Assignor will not, without the prior written consent of the Agent Bank:

(i) cancel, terminate or surrender, consent to any cancellation, termination or surrender, or permit any event to occur which would entitle any lessor/vendor to terminate or cancel, any Equipment Lease and Contract if such cancellation, termination or surrender would be reasonably likely to materially and adversely affect the Tahoe Hotel/Casino Facility (other than a cancellation or termination caused by the default of the Equipment Lease and Contract lessor/vendor thereunder);

(ii) cancel, terminate or surrender, consent to any cancellation, termination or surrender, or permit any event to occur which would entitle any lessee to terminate or cancel, any Spacelease if such cancellation, termination or surrender would be reasonably likely to materially and adversely affect the Tahoe Hotel/Casino Facility (other than a cancellation or termination caused by the default of the lessee thereunder);

(iii) amend or modify any of the Equipment Leases and Contracts or the Spaceleases if such amendment or modification would be reasonably likely to materially and adversely affect the Tahoe Hotel/Casino Facility;

(iv) waive any default under or breach of any Equipment Leases and Contracts or any Spaceleases except for any waiver that would not be reasonably likely to result in any material adverse affect on the Tahoe Hotel/Casino Facility; or

(v) give any consent, waiver or approval which would impair Assignor's interest in any of the Equipment Leases and Contracts or any of the Spaceleases if such consent, waiver or approval would be reasonably likely to materially and adversely affect the Tahoe Hotel/Casino Facility.

(c) Assignor will promptly notify the Agent Bank of the occurrence of any default under any of the Equipment Leases and Contracts or Spaceleases, which, if left uncured, would be reasonably likely to materially and adversely affect the Tahoe Hotel/Casino Facility.

4. Notwithstanding anything to the contrary contained in this Assignment, it is understood and agreed that so long as there shall exist no Event of Default under the Credit Agreement there is reserved to Assignor a license (which is revocable upon occurrence of an Event of Default in accordance with the terms and conditions set forth herein) to retain, use and enjoy the Equipment Leases and Contracts and the Spaceleases and the properties they concern. Upon the occurrence of an Event of Default, such license granted to Assignor may be immediately revoked by Agent Bank (except that, upon occurrence of an Event of Default under subsections 7.01(f), (g) or (h) of the Credit Agreement, such license granted to Assignor shall be automatically revoked) without further demand or notice and Agent Bank is hereby empowered to enter and take possession of the Real Property and to use, manage and operate the same and to do all acts required or permitted by the Equipment Leases and Contracts and the Spaceleases, and perform such other acts in connection with the use, management and operation of the property, which is the subject of the Equipment Leases and Contracts and the Spaceleases as Agent Bank, in its sole discretion, may deem proper (including, without limitation, such acts as are otherwise authorized under this Assignment). Agent Bank agrees that, until such license granted to Assignor has been

revoked, as set forth above, Agent Bank shall refrain from exercising its rights and remedies which are granted with respect to the Equipment Leases and Contracts, the Spaceleases and/or the properties they concern under Section 1 of this Assignment or under this Section 4. Should the Event of Default which resulted in any such revocation be cured prior to foreclosure, deed-in-lieu of foreclosure, or a similar conveyance under any of the Tahoe Security Documents, then such license granted to Assignor shall be immediately reinstated without further demand or notice and Agent Bank shall, as soon as reasonably possible, redeliver to Assignor possession of the Equipment Leases and Contracts, and of the Spaceleases (and, at the expense of Assignor, shall execute such notices to third parties as Assignor may reasonably request) and the parties hereto shall each be restored to, and be reinstated in, their respective rights and positions hereunder as if the Event of Default had not occurred (without impairment of or limitation on Agent Bank's right to proceed hereunder upon subsequent Events of Default).

5. It is also understood and agreed that so long as there shall exist no Event of Default under the Credit Agreement there is reserved to Assignor a revocable license to collect the Rents and Revenues as they become due, but not prior to accrual. Upon the occurrence of an Event of Default, such license granted to Assignor may be immediately revoked (except that, upon occurrence of an Event of Default under subsections 7.01(f), (g) or (h) of the Credit Agreement, such license granted to Assignor shall be automatically revoked) without further demand or notice and Agent Bank is hereby empowered, but shall not be obligated, to: (i) demand payment of the Rents and Revenues from the appropriate party, (ii) give notice that further payments of Rents and Revenues are to be made as directed by Agent Bank, and (iii) settle compromise, bring suit in respect of Rents and Revenues or otherwise deal with the person owing such Rents and Revenues, either in the name of Assignor or in its own name. If any such Rents and Revenues are collected by Assignor in violation of this Assignment, such Rents and Revenues shall be held in trust for the benefit of Agent Bank. Any such Rents and Revenues which are actually collected by Agent Bank for application to Assignor's obligations under the Credit Agreement (and not held by a receiver or other third party) shall be applied to such obligations in the order set forth by Section 7.03 of the Credit Agreement. No action taken by Agent Bank, by any of the Banks, or by a receiver, in exercising any of the rights and remedies hereunder shall cause any of them to be characterized as a "Mortgagee in

htm-sp.asn/hcr98-1
012799mmf

10

LAW OFFICES OF
HENDERSON & MORGAN, LLC
164 HUBBARD WAY
SUITE B
RENO, NEVADA 89502

0459902

BK0199PG5847

Possession". This Assignment is intended to be and is an absolute present assignment from Assignor to Agent Bank and not merely the passing of a security interest. Agent Bank agrees that, until such license granted to Assignor has been revoked, as set forth above, Agent Bank shall refrain from exercising its rights and remedies which are granted with respect to the Rents and Revenues and/or the collection thereof under Section 1 of this Assignment or under this Section 5. Should the Event of Default which resulted in any such revocation be cured prior to foreclosure, deed-in-lieu of foreclosure, or a similar conveyance under any of the Tahoe Security Documents, then such license granted to Assignor shall be immediately reinstated without further demand or notice and Agent Bank shall, as soon as reasonably possible, execute, at the expense of Assignor, such notices to third parties as Assignor may reasonably request and the parties hereto shall each be restored to, and be reinstated in, their respective rights and positions hereunder as if the Event of Default had not occurred (without impairment of or limitation on Agent Bank's right to proceed hereunder upon subsequent Events of Default).

6. Neither the Agent Bank nor any of the Banks shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under the Equipment Leases and Contracts and/or the Spaceleases, or relating to the Rents and Revenues. This Assignment shall not place responsibility for the management, control, care, operation or repair of the Real Property, the Tahoe Hotel/Casino Facility or any Additional Business, upon Agent Bank, any of the Banks or any of their respective directors, trustees, officers, employees, agents, attorneys or shareholders (collectively, the "Indemnified Parties"); nor shall this Assignment cause any of the Indemnified Parties to be responsible or liable for any negligence in the management, control, care, operation or repair of the Real Property, the Tahoe Hotel/Casino Facility or any Additional Business, which results in loss, injury or death to any tenant, guest, licensee, employee or stranger (provided that this Section 6 shall not act to relieve any Indemnified Party from liability which results from such Indemnified Party's own gross negligence or willful misconduct).

7. Assignor hereby agrees to indemnify, protect, defend and save harmless each of 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

htm-sp.asn/hcr98-1
012799mmf

11

LAW OFFICES OF
HENDERSON & MORGAN, LLC
164 HUBBARD WAY
SUITE B
RENO, NEVADA 89502

0459902
BK0199PG5848

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: (i) this Assignment; (ii) any of the Equipment Leases and Contracts, Spaceleases or Rents and Revenues; or (iii) the management, control, care, operation or repair of the Real Property, the Tahoe Hotel/Casino Facility and/or any Additional Business. It is provided, however, that Assignor shall not be obligated to indemnify, protect, defend or save harmless an Indemnified Party if, and to the extent, the loss, damage, expense or liability was caused by (a) the gross negligence or intentional misconduct of such Indemnified Party, or (b) the breach of this Assignment 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 any Borrower's default under any Loan Document). 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 Assignor, Agent Bank shall promptly notify Assignor in writing, and Assignor shall assume the defense thereof, including the employment of counsel selected by Assignor and reasonably satisfactory to Agent Bank, 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 Assignor, the applicable Indemnified Party shall have the right to employ, at the expense of Assignor, one separate counsel in any such action and to participate in the defense thereof. Assignor shall not be liable for any settlement of any such action effected without its consent, but if settled with Assignor's consent, or if there be a final judgment for the claimant in any such action, Assignor 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 Person is adjudged by a court of competent jurisdiction not to have been entitled to indemnification under this Section 7, it shall repay all amounts with respect to which it has been so adjudged, together with interest thereon at the Base Rate plus the Applicable Margin. If and to the extent that the indemnification provisions contained in this Section 7 are unenforceable for any reason, Assignor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations that is permissible under applicable law. The provisions of this Section 7 shall survive the termination of this Assignment, the repayment of the Bank Facilities and the assignment or subparticipation of all or any portion of

htm-sp.asn/hcr98-1
012799mmf

12

LAW OFFICES OF
HENDERSON & MORGAN, LLC
164 HUBBARD WAY
SUITE B
RENO, NEVADA 89502

0459902

BK0199PG5849

the Syndication Interest held by any Lender pursuant to Section 10.10 of the Credit Agreement.

8. Assignor agrees that this Assignment and the designation and directions herein set forth are irrevocable. Until Bank Facilities Termination has occurred, Assignor will not make any other assignment, designation or direction inconsistent herewith (except as otherwise permitted in the Credit Agreement), and any such assignment, designation or direction which is inconsistent herewith shall be void. Assignor will, from time to time, execute all such instruments of further assurance and all such supplemental instruments as may be reasonably requested by Agent Bank in order to effectuate the purposes of this Assignment.

9. No action or inaction on the part of Agent Bank or any of the Banks shall constitute an assumption on the part of Agent Bank or any of the Banks of any obligations or duties under the Equipment Leases and Contracts and/or Spaceleases, or relating to the Rents and Revenues. No action or inaction on the part of Assignor shall adversely affect or limit in any way the rights of Agent Bank under this Assignment or, through this Assignment, under the Equipment Leases and Contracts and/or the Spaceleases, or relating to the Rents and Revenues.

10. Assignor covenants and represents that it has the full right and title to assign the Equipment Leases and Contracts, Spaceleases and the Rents and Revenues; that no other assignments of its interests in the Equipment Leases and Contracts and/or Spaceleases, or of its interests in the Rents and Revenues have been made; that no notice of termination has been served on it with respect to any Equipment Leases and Contracts or Spaceleases, the termination of which would be reasonably likely to result in a Material Adverse Change; and that there are presently no defaults existing under any of the Equipment Leases and Contracts or the Spaceleases, which defaults would be reasonably likely to result in a Material Adverse Change if left uncured.

11. Upon the occurrence of Bank Facilities Termination, Agent Bank, at the request and the expense of Assignor, will: (i) deliver such instruments cancelling this Assignment as Assignor shall reasonably request; and (ii) assign and transfer to Assignor: (aa) any Equipment Leases, Contracts, Spaceleases and/or Rents and Revenues which are in its possession and control and which have not been applied towards Bank Facilities Termination ("Unapplied Items"); and (bb) any proceeds of such Unapplied Items which

htm-sp.asn/hcr98-1
012799mmf

are in its possession and control and which have not been applied towards Bank Facilities Termination. In the event that any Equipment Lease, Contract or Spacelease is sold, conveyed, transferred, terminated or assigned in accordance with the Credit Agreement, Agent Bank shall, at Assignor's expense, execute such instruments as may be reasonably requested in writing to evidence release of such Equipment Lease, Contract or Spacelease from the assignment which is made hereunder.

12. Assignor and Agent Bank intend that this Assignment shall be a present, absolute and unconditional assignment, subject to the license granted above, and not merely the passing of a security interest. During the term of this Assignment, neither the Equipment Leases and Contracts, the Spaceleases, nor the Rents and Revenues shall constitute property of Assignor (or any estate of Assignor) within the meaning of 11 U.S.C. § 541 (as it may be amended or recodified from time to time).

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

14. All of the rights and remedies of Agent Bank hereunder are cumulative and not exclusive of any other right or remedy which may be provided for hereunder or under any other Loan Document. Nothing contained in this Assignment and no act done or omitted by Agent Bank or any of the Banks pursuant to its terms shall be deemed a waiver by Agent Bank or any of the Banks of any rights or remedies under the Loan Documents, and this Assignment is made and accepted without prejudice to any rights or remedies possessed by Agent Bank or any of the Banks under the terms of the Loan Documents. The right of Banks to collect the secured principal, interest, and other Indebtedness, and to enforce any other security may be exercised by Agent Bank or the Banks prior to, simultaneous with, or subsequent to any action taken under this Assignment.

15. Upon the occurrence, and during the continuance, of an Event of Default, Assignor shall be deemed to have appointed and does hereby appoint Agent Bank the attorney-in-fact of Assignor to prepare, sign, file and/or record such documents or instruments, or take such other actions, as may be reasonably necessary to perfect and preserve, against third parties, the interest in the Equipment

htm-sp.asn/hcr98-1
012799mmf

14

0459902

BK0199PG5851

Leases and Contracts, Spaceleases and Rents and Revenues which is granted to Agent Bank hereunder.

16. This Assignment shall be governed by the internal laws of the State of Nevada, without regard to principles of conflict of law.

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

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

ASSIGNOR:

AGENT BANK:

HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation

WELLS FARGO BANK, National Association, as Agent Bank

By *Charles W. Scharer*
Charles W. Scharer,
President

By *Sue Fuller*
Sue Fuller,
Vice President

By *John McLaughlin*
John McLaughlin,
Secretary/Treasurer

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on January 27, 1999 by CHARLES W. SCHARER as President of HARVEYS TAHOE MANAGEMENT COMPANY, INC.

Melissa M Fry
Notary Public



htm-sp.asn/hcr98-1
012799mmf

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on January 27, 1999 by JOHN McLAUGHLIN as Secretary/Treasurer of HARVEYS TAHOE MANAGEMENT COMPANY, INC.

Melissa M Fry
Notary Public



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



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)

ALTA-C/EC

EXHIBIT A

0459902

BK0199PG5854

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°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°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°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°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°42'34" West, 990.12 feet along the California-Nevada State Line to the point of beginning; thence North 48°42'34" West, 117.90 feet along the California-Nevada State Line; thence North 30°18'30" East, 172.01 feet; thence North 70°15'01" West, 157.23 feet; thence North 29°43'25" West, 86.29 feet thence North 00°50'44" East, 33.27 feet; thence North 62°26'55" West, 72.14 feet to a point on the Easterly right of way line of Stateline Loop Road; thence North 23°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°04'04", and a radius of 1170.00 feet (chord bears North 27°29'15" East, 144.24 feet); thence South 62°03'50" East, 1396.61 feet to a point on the Westerly right of way line of U.S. Highway 50; thence South 27°57'22" West, 296.01 feet along the Westerly right of way of U.S. Highway 50; thence North 62°02'38" West, 289.93 feet; thence North 80°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°42'34" West, 1108.02 feet along the California-Nevada State Line to the point of beginning; thence North 48°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°57'13" East, 154.41 feet along the Easterly right of way line of Stateline Loop Road; thence South 62°26'55" East, 72.14 feet; thence South 00°50'44" West, 33.27 feet; thence South 29°43'25" East, 86.29 feet; thence South 70°15'01" East, 157.23 feet; thence South 30°18'30" West, 172.01 feet to the point of beginning.

A PORTION OF 07-140-10

0459902

BK0199PG5855

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

'99 JAN 29 A11 :45

0459902

BK 0199PG5856

LINDA SLATER
RECORDER

25⁰⁰ PAID K2 DEPUTY