UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1 (TAHOE)

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

- 1. Debtor (one name only)
 - [X] Legal Business Name
 - [] Individual (Last Name First)

HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation

- 1A. Social Security or Federal Tax No.: 88-0370589
- 1B. Mailing address: P.O. Box 128
- 1C. City, State: Lake Tahoe, NV 1D. Zip Code: 89449
- 2. Additional Debtor (if any) (one name only): None.
- 3. [] Additional Debtor(s) on Attached Sheet
- 4. Secured Party:

Name: WELLS FARGO BANK, National Association, Agent Bank

Mailing Address: Commercial Banking Division

P.O. Box 300

Attn: Ms. Sue Fuller, V.P.

City: Reno State: NV Zip Code: 89504

- 4A. Social Security No. Federal Tax No. or Bank Transit and A.B.A. No.: 121000248
- 5. Assignee of Secured Party (if any): None.
- 6. This FINANCING STATEMENT covers the following types or items of property (if crops or timber, include description of real property on which growing or to be growing and name of record owner of such real estate; if fixtures, include description of real property to which affixed or to be affixed and name of record owner of such real estate; if oil, gas or minerals, include description of real property from which to be extracted).

All that certain collateral and rights that are more particularly described on that certain exhibit marked Exhibit "A", affixed hereto and by this reference incorporated herein and made a part hereof, which collateral and rights include, but are not limited to, personal property that is situate on the real property that is particularly described on

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

HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada DEBTOR:

corporation

that certain exhibit marked Exhibit "B", affixed hereto and by this reference incorporated herein and made a part hereof.

> TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS

6A. Si	ignature	of	Record	Owner:
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6B. See Attachment 6C. \$

Maximum amount of Indebtedness to be Secured at any one time (optional)

(Type) Record Owner of Real Property

Check if applicable: 7.

[X] Proceeds of collateral are covered
[X] Products of collateral are also covered

Proceeds of above described original collateral in which a security interest was perfected
[] Collateral was brought into this State subject to

- security interest in another jurisdiction
- [] Debtor is a "Transmitting Utility" Check if applicable: 8. in accordance with NRS 704.205 and NRS 104.9403
- January 27, 1999. 9. Date:

Signature(s) of Debtor(s)

HARVEYS TAHOE MANAGEMENT COMPANY, INC., a Nevada_corporation

Scharer, Charles

President

Secretary/Treasurer

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Signature(s) of Secured Party(ies)

WELLS FARGO BANK, National Association, Agent Bank

Sue Fulle

Vice President

10. Return Copy to:

Name:

HENDERSON & MORGAN, LLC

Attn: James L. Morgan, Esq.

Address:

164 Hubbard Way, Suite B

City, State:

Reno, Nevada

And Zip:

89502

11. This Space for Use of Filing Officer (Date, Time, File Number and Filing Officer)

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corporation

ATTACHMENT TO UCC-1 FINANCING STATEMENT

Record Owners of the Real Property:

Harveys Tahoe Management Company, Inc., a Nevada corporation

Park Cattle Company, a Nevada corporation



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ATTACHMENT TO UCC-1 FINANCING STATEMENT

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DESCRIPTION OF COLLATERAL

ATTACHED TO UCC-1 FINANCING STATEMENT (the "UCC-1")

All right, title and interest of Debtor, 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, situate in or on, affixed to, or incorporated into: portion of the real property which is particularly described by "Exhibit B" to the UCC-1 (the "Land"); (bb) all real property which is adjacent to, or used in connection with, the Land and in which Debtor now owns or hereafter acquires an interest (the "Adjacent (cc) all tenements, hereditaments Property"); and/or appurtenances to the Land or the Adjacent Property "Appurtenances" and, together with the Land and the Adjacent Property, 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 Debtor otherwise has or acquires an interest; all including, without limitation: (aa) all lumber, bricks, cement, 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 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 equipment, fabric washing and drying equipment, lock and key systems, surveillance and entry detection systems, speakers, intercoms and public address systems, hardware, shelving,

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EXHIBIT "A"

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corporation

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; equipment and supplies, including (dd) all hotel limitation, televisions, radios, telephones, linen, 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 limitation, supplies including, without equipment and 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 (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 (11) all equipment and supplies utilized in connection with any other activity engaged in by Debtor;

(b) all present and future supplies, inventory and merchandise which is used in connection with, or in the conduct of, the business of Debtor or in which Debtor 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 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

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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 Debtor or in which Debtor 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 Debtor, or in which Debtor 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 Debtor, or in which Debtor 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 Debtor, or in which Debtor 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 the UCC-1, 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 the UCC-1);

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- (y) contracts or agreements entered into subsequent to the date of the UCC-1, the terms of which prohibit the granting of a security interest therein, provided that, prior to Debtor's entry into such contract or agreement, Debtor has obtained Secured Party'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 Debtor, or in which Debtor 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 Debtor, 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 Debtor 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 Debtor, or in which Debtor, 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 Debtor, 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

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Debtor, or in which Debtor 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 referred to below, and with respect to New Venture Investments, as also defined in the Credit Agreement referred to below);

- (j) all right, title and interest of Debtor 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 Debtor 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 Debtor 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 Secured Party 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;
- (1) 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 Real Property (collectively, the "Water Rights"), 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 Real Property; (iii) any permit to construct any water well, water from which is intended to be used in connection with the Real Property; and (iv) all of Debtor's right, title and interest under any decreed or pending plan of augmentation or water exchange plan; however, the terms of this paragraph notwithstanding, the following water right

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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);

- (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 Debtor 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 Debtor 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 that certain Amended and Restated Credit Agreement which is executed under date of December 9, 1998 by Debtor and the other Borrowers therein named, by the Lenders, the Swingline Lender and the L/C Issuer therein named, and by Secured Party as administrative and collateral agent for the Lenders, the Swingline Lender and the L/C Issuer therein named (as it may be amended, restated, renewed, extended or otherwise modified from time to time, the "Credit Agreement"); and
- (ii) as to the fixtures and equipment covered hereby, the leases and/or purchase money security interests pursuant to which Debtor 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.

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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 \bar{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" Fast 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 B

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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°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

WESTERN TITLE COMPANY, INC.

'99 JAN 29 A11 :50

LINDA SLATER
RECORDER
BAIDKA DEPUTY

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