

BOND
(Executed Sample)

Camelot Hotel and Casino, 2338 Merlin Lane, King Richard, Nevada 89991, as principal, and Sir Lancelot Insurance Company, a surety company organized and existing under the laws of the State of Nevada and authorized to do business under the laws of the State of Nevada, as surety, are hereby held and firmly bound unto the Nevada State Gaming Control Board for its use and benefit the penal sum of Twenty Five Thousand and no/100's (\$25,000) lawful money of the United States of America, for which sum, well and truly to be paid, we hereby bind ourselves, our heirs, executors, successors, administrators, and assigns, jointly and severally.

This obligation is conditioned as follows:

1. The principal has applied for licenses to operate a race book and sports pool in Nevada pursuant to chapter 463 of the Nevada Revised Statutes. Pursuant to the application, licenses have been or are about to be issued. Pursuant to Nevada Gaming Commission Regulation 22.040, the Nevada State Gaming Control Board requires security ("the reserve") for:
 - (a) Amounts held by the principal for the account of patrons of its race book and sports pool;
 - (b) Amounts accepted by the principal at its race book and sports pool as wagers on contingencies whose outcomes have not been determined;
 - (c) Amounts owed but unpaid by the principal on winning wagers accepted at its race book and sports pool.
2. This bond is provided by the principal and surety pursuant to Nevada Gaming Commission Regulation 22.040, as amended effective January 1, 1999, subsection 6 which requires that the reserve be protected against claims of the principal's creditors other than the patrons for whose benefit and protection the reserve is established, and further provides that:
 - (a) The reserve must be established and held in trust for the benefit and protection of patrons to the extent the principal holds money for their account, has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers;
 - (b) The reserve must not be released, in whole or in part, except to the State Gaming Control Board on the written demand of its chairman or to the principal on the written instruction of the Board chairman. The reserve must be available within 60 days of the written demand or written notice. The principal may receive income, if any, accruing on the reserve unless the Board chairman instructs otherwise pursuant to Regulation 22.040(9) or (13);
 - (c) The principal has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in Regulation 22.040;
 - (d) Nevada law and Regulation 22.040 govern any agreement establishing the reserve and govern the principal's interest in the reserve and in income accruing on the reserve;
 - (e) Any agreement establishing the reserve is not effective until the Board chairman's approval has been obtained pursuant to Regulation 22.040(7); and
 - (f) Amendments to any agreement establishing the reserve may not be made without the prior, written approval of the Board chairman.
3. Therefore, if the principal shall well and truly comply with all of the provisions of Regulation 22.040, and in particular pay, promptly when due and demanded, all winning wagers (including those now due and those that may become due) and all amounts held for the account of its patrons, then this obligation shall be null and void, but shall otherwise remain in full force and effect.

4. Upon the principal's failure to comply with any or all of the provisions of Regulation 22.040, and in particular upon the principal's failure to pay, promptly when due and demanded, all winning wagers (including those now due and those that may become due) and all amounts held for the account of its patrons, the chairman of the State Gaming Control Board may make demand upon the surety for the payment of the amount of the default by said principal up to but not to exceed the amount of its liability as defined by this bond, and in addition any costs or attorneys' fees incurred in collecting the same.

5. The surety reserves the right to withdraw except as to any liability already incurred or accrued hereunder, and may do so upon giving written notice of withdrawal to the State Gaming Control Board. Withdrawal shall not be effective until 60 days have elapsed after receipt of the notice by the Board. Withdrawal shall not affect the surety's liability arising out of any wagers accepted by the principal or any amounts accepted by the principal for the account of patrons prior to the expiration of the 60-day period.

6. It is a condition of this bond that it shall be considered renewed for one year from the present or any future maturity date unless at least thirty (30) days prior to said maturity date, the Bank shall notify the Board that this bond will not be extended for an additional period.

DATED THIS _____ 1st day of May 1999 _____.

 Sir Lancelot Insurance Company
 Insurance Company

 Camelot Hotel and Casino
 Licensee

 Name (Signature)

 Name (Signature)

 Joe Medallion
 Name (Print)

 Charles Sword
 Name (Print)

 Attorney-in-fact
 Title (Print)

 Controller
 Title (Print)