

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

AMERICAN REAL ESTATE PARTNERS, L.P. and  
AMERICAN CASINO & ENTERTAINMENT PROPERTIES LLC

(Registration)\_\_\_\_\_

SEVENTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on July 13, 2005, and before the Nevada Gaming Commission (“Commission”) on July 28, 2005, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:
  - a. The application of American Real Estate Partners, L.P. for an amendment to its Order of Registration,
  - b. The application of American Casino & Entertainment Properties LLC for an amendment to its Order of Registration,

c. The application of American Real Estate Holdings Limited Partnership for (i) approval to transfer its interest in American Entertainment Properties Corp. to AREP Gaming, LLC and (ii) licensure as the sole member and manager of AREP Gaming, LLC, and

d. The application of AREP Gaming, LLC for (i) registration as an intermediary company and (ii) a finding of suitability as the sole shareholder of American Entertainment Properties Corp.

2. THAT the Sixth Revised Orders of Registration of American Real Estate Partners, L.P. and American Casino & Entertainment Properties LLC, dated October 21, 2004, are hereby amended and restated, in their entirety, by these Seventh Revised Orders of Registration of American Real Estate Partners, L.P. and American Casino & Entertainment Properties LLC.

3. THAT Stratosphere Corporation is registered as an intermediary company and is found suitable as the sole shareholder of Stratosphere Gaming Corp.

4. THAT American Real Estate Partners, L.P. is registered as a publicly traded corporation and is found suitable, pursuant to NRS 463.170(6), as the sole limited partner of American Real Estate Holdings Limited Partnership.

5. THAT American Real Estate Holdings Limited Partnership is registered as an intermediary company and is licensed as the sole member and manager of AREP Gaming, LLC.

6. THAT American Property Investors, Inc. is registered as a holding company and is found suitable, pursuant to NGC Regulation 15A.190, as the general partner of American Real Estate Holdings Limited Partnership.

7. THAT Beckton Corp. is registered as a holding company and is found suitable, pursuant to NGC Regulation 15.585.7-4, as the sole shareholder of American Property Investors, Inc.

8. THAT AREP Gaming, LLC is registered as an intermediary company and is found suitable as the sole shareholder of American Entertainment Properties Corp.

9. THAT American Entertainment Properties Corp. is registered as an intermediary company and is found suitable as the sole member and manager of American Casino & Entertainment Properties LLC.

10. THAT American Casino & Entertainment Properties LLC is registered as a publicly traded corporation, is found suitable as the sole shareholder of Stratosphere Corporation and the manager of Charlie's Holding LLC, and the Commission acknowledges that American Casino & Entertainment Properties is the sole member of Charlie's Holding LLC.

11. THAT Charlie's Holding LLC is registered as an intermediary company and is found suitable as the sole member and manager of Fresca, LLC and Arizona Charlie's, LLC.

12. THAT Stratosphere Gaming Corp., dba Stratosphere Tower, Casino & Hotel, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 2000 Las Vegas Boulevard South, Las Vegas subject to such conditions or limitations as may be imposed by the Commission.

13. THAT Arizona Charlie's, LLC, dba Arizona Charlie's – Decatur is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 750 South Decatur Boulevard, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

14. THAT Arizona Charlie's, LLC is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

15. THAT Fresca, LLC, dba Arizona Charlie's East Hotel & Casino is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 4575 S Boulder Highway, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT American Casino & Entertainment Properties LLC is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of 7.85% Senior Secured Notes

Due 2012 (“Senior Notes”), pursuant to and as more fully described in the SEC Form S-4 Registration Statement, as amended (SEC Registration No. 333-118149).

17. THAT the approval set forth in Paragraph 16 is specifically conditioned as follows:

a. American Casino & Entertainment Properties LLC, shall keep the Board’s Corporate Securities Division continuously and promptly informed as to the progress of the public offering and as to any other event that would have a material effect on American Casino & Entertainment Properties LLC, or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

b. That the approval granted herein may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

18. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in Paragraph 17(b) above.

19. THAT American Casino & Entertainment Properties LLC is granted approval, pursuant to NGC Regulations 8.030, 15.585.7-2 and 15B.180, as applicable, to pledge its membership interest in Charlie’s Holding LLC, and the common stock of Stratosphere Corporation to Bear Stearns Corporate Lending, Inc., as secured Party, in conjunction with the Senior Notes and a bank Credit Facility dated January 29, 2004 (“Credit Facility”) provided that:

a. The pledge is pursuant to the Pledge and Security Agreement (“Pledge Agreement”) in the form of the draft dated January 29, 2004, a fully executed copy of which must be provided to the Board within five (5) business days after execution.

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to

American Casino & Entertainment Properties LLC) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulation 8.030(4)(a), the membership certificates of Charlie's Holding LLC and the stock certificates of Stratosphere Corporation evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

20. THAT in conjunction with the private placement and public offering of Senior Notes and the Credit Facility, American Casino & Entertainment Properties LLC is granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Charlie's Holding LLC and Stratosphere Corporation.

21. THAT Charlie's Holding LLC is granted approval, pursuant to NRS 463.5733 and NGC Regulation 8.030, to pledge its membership interest in Fresca, LLC and Arizona Charlie's, LLC to Bear Stearns Corporate Lending, Inc., as secured Party, in conjunction with the Senior Notes and Credit Facility provided that:

a. The pledge is pursuant to the fully executed Pledge Agreement.

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Charlie's Holding LLC) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulation 8.030(4)(a), the membership certificates of Fresca, LLC and Arizona Charlie's, LLC evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

22. THAT Stratosphere Corporation is granted approval, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, to pledge the common stock of Stratosphere Gaming Corp. to Bear Stearns Corporate Lending, Inc., as secured Party, in conjunction with the Senior Notes and Credit Facility provided that:

- a. The pledge is pursuant to the fully executed Pledge Agreement.
- b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Stratosphere Corporation) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and
- c. Pursuant to NGC Regulation 8.030(4)(a), the common stock certificates of Stratosphere Gaming Corp. evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

23. THAT in conjunction with the private placement and public offering of Senior Notes and the Credit Facility, Stratosphere Corporation is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Stratosphere Gaming Corp.

24. THAT in conjunction with the public offering of the Senior Notes, Stratosphere Gaming Corp. is granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by American Casino & Entertainment Properties LLC, and to hypothecate their assets to secure the payment or performance of obligations evidenced by the securities issued by American Casino & Entertainment Properties LLC.

25. THAT American Real Estate Partners, L.P. shall establish and maintain a Gaming Compliance Plan ("Plan") for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and

ensure compliance by American Real Estate Partners, L.P., its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (“the Act”), as amended, the Commission’s Regulations, as amended (“the Regulations”), and the laws and regulations of any other jurisdictions in which American Real Estate Partners, L.P., its subsidiaries and any affiliated entities operate. The Plan, any amendments thereto, and the members of the gaming compliance committee, one such member who shall be independent and knowledgeable in the Act and Regulations, shall be administratively reviewed and approved by the Chairman of the Board or his designee. Furthermore, upon request of the Chairman of the Board or his designee, American Real Estate Partners, L.P. shall amend the Plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board or his designee related to a review of activities relevant to the continuing qualifications of American Real Estate Partners, L.P., under the provisions of the Act and Regulations.

26. THAT American Real Estate Partners, L.P. shall fund and maintain with the Board a revolving fund in the amount of \$25,000, for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of American Real Estate Partners, L.P., its subsidiaries and affiliated companies.

27. THAT pursuant to NRS 463.625, American Real Estate Partners, L.P. is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

28. THAT American Real Estate Partners, L.P. is exempted from NGC Regulation 15A and shall instead comply with NGC Regulation 16.

29. THAT pursuant to NRS 463.625 American Casino & Entertainment Properties LLC is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

30. THAT American Casino & Entertainment Properties LLC is exempted from NGC Regulation 15B, except for the provisions of NGC Regulations 15B.150, 15B.170 and 15B.200, and shall instead comply with NGC Regulation 16; provided that American Entertainment Properties Corp. shall not sell, assign, transfer, pledge or otherwise dispose of its membership interest in American Casino & Entertainment Properties LLC, without the prior approval of the Commission.

31. THAT the Commission hereby expressly finds that the exemptions granted hereinabove are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, this 28<sup>th</sup> day of July 2005.