

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

AMERICAN REAL ESTATE PARTNERS, L.P.

(Registration)_____

FIFTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on May 5, 2004, and before the Nevada Gaming Commission (“Commission”) on May 20, 2004, 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 applications of American Real Estate Holdings Limited Partnership for (i) a finding of suitability as the sole shareholder of American Entertainment Properties Corp., and (ii) approval to effect a disposition of the stock of Stratosphere Corporation to American Entertainment Properties Corp.;

c. The applications of American Entertainment Properties Corp. for (i) registration as an intermediary company (ii) registration as a holding company of Stratosphere Corporation (iii) a finding of suitability as sole member/manager of American Casino & Entertainment Properties LLC and (iv) approval to effect a disposition of the stock of Stratosphere Corporation to American Casino & Entertainment Properties LLC;

d. The applications of American Casino & Entertainment Properties LLC for (i) registration as an intermediary company (ii) a finding of suitability as sole shareholder of Stratosphere Corporation (iii) a finding of suitability as the sole member/manager of Charlie's Holding LLC (iv) approval to pledge the membership interest of Charlie's Holding LLC and the equity securities of Stratosphere Corporation to Bear Stearns Corporate Lending, Inc., as secured Party, in conjunction with Senior Secured Notes Due 2012 and a bank Credit Facility and (v) approval to place restrictions upon the transfer of, and enter into agreements not to encumber, the equity securities of Charlie's Holding LLC and Stratosphere Corporation in conjunction with Senior Secured Notes due 2012 and a bank Credit Facility;

e. The applications of Charlie's Holding LLC for (i) registration as an intermediary company (ii) a finding of suitability as sole member/manager of Arizona Charlie's, LLC and Fresca, LLC and (iii) approval to pledge the membership interest of Fresca, LLC and Arizona Charlie's LLC to Bear Stearns Corporate Lending, Inc., as secured party, in conjunction with Senior Secured Notes Due 2012 and a bank Credit Facility;

f. The application of Arizona Charlie's, LLC for (i) a nonrestricted gaming license, including a race book and sports pool (ii) licensure to conduct off-track pari-mutuel race wagering and (iii) licensure as a manufacturer and distributor; and

g. The applications of Stratosphere Corporation for (i) approval to pledge the equity securities of Stratosphere Gaming Corp. to Bear Stearns Corporate Lending, Inc., as secured Party, in conjunction with Senior Secured Notes Due 2012 and a bank Credit Facility and (ii) approval to place restrictions upon the transfer of, and enter into agreements not to encumber,

the equity securities of Stratosphere Gaming Corp. in conjunction with Senior Secured Notes Due 2012 and a bank Credit Facility.

2. THAT the Fourth Revised Order of Registration of American Real Estate Partners, L.P., dated, May 22, 2004 is hereby amended and restated, in its entirety, by this Fifth Revised Order of Registration of American Real Estate Partners, L.P.

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 found suitable as the sole shareholder of American Entertainment Properties Corp.

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 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.

9. THAT American Casino & Entertainment Properties LLC is registered as an intermediary company and is found suitable as the sole shareholder of Stratosphere Corporation and as the sole member and manager of Charlie's Holding LLC.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 Senior Secured Notes Due 2012 ("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.

16. THAT in conjunction with the 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.

17. 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.

18. 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.

19. THAT in conjunction with the 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.

20. 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.

21. 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.

22. 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.

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

24. 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 20th day of May 2004.