

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

HARVEYS CASINO RESORTS

CIK: **914022** | IRS No.: **880066882** | State of Incorporation: **NV** | Fiscal Year End: **1130**
Type: **10-Q** | Act: **34** | File No.: **001-12802** | Film No.: **96594856**
SIC: **7990** Miscellaneous amusement & recreation

Business Address
*HWY 50 & STATELINE AVE
P O BOX 128
LAKE TAHOE NV 89449
7025882411*

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1996
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-2802

HARVEYS CASINO RESORTS
(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-0066882
(I.R.S. Employer
identification No.)

Highway 50 & Stateline Avenue
P.O. Box 128
Lake Tahoe, Nevada
(Address of principal executive offices)

89449
(Zip Code)

Registrant's telephone number, including area code: (702) 588-2411

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes X No

On July 10, 1996 the registrant had outstanding 9,807,384 shares of its \$.01 par
value, common stock.

HARVEYS CASINO RESORTS
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This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended. Discussions containing such forward-looking statements may be found in the notes to condensed consolidated financial statements and in the material set forth under Management's Discussion and Analysis of Financial Condition and Results of Operations'. Actual results could differ materially from those projected in the forward-looking statements.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

HARVEYS CASINO RESORTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

<TABLE>
<CAPTION>

ASSETS May 31, November 30,

	1996 ----- (Unaudited) <C>	1995 ----- <C>
<S>		
Current assets		
Cash and cash equivalents	\$ 23,869	\$ 10,493
Accounts and notes receivable, net	4,956	7,740
Prepaid expenses	3,214	5,381
Other current assets	7,549	7,260
	-----	-----
Total current assets	39,588	30,874
Notes receivable-related party	1,924	2,065
Notes receivable - other	2,797	2,797
Property and equipment net of accumulated depreciation of \$106,351 and \$100,934 at May and November, respectively)	305,630	250,777
Other assets	18,371	12,993
Investment in unconsolidated affiliate	14,548	13,738
	-----	-----
Total assets	\$ 382,858 =====	\$ 313,244 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt including \$3,967 of related party debt at November 30,1995)	\$ 2,658	\$ 6,467
Accounts and contracts payable	14,783	4,676
Accrued expenses	15,962	13,015
	-----	-----
Total current liabilities	33,403	24,158
Long-term debt, net of current portion (including \$7,935 of related party debt at November 30,1995)	179,110	126,676
Deferred income taxes	15,277	15,895
Minority interest in subsidiary	-	1,758
Other liabilities	13,744	12,456
	-----	-----
Total liabilities	241,534 -----	180,943 -----
Stockholders' equity		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; none issued Common stock, \$.01 par value; 30,000,000 shares authorized; shares issued 9,813,489 (May) and 9,402,657 (November)	98	94
Additional paid-in capital	38,586	31,524
Retained earnings	103,723	102,064
Treasury stock, at cost; 9,204 shares (May) and 5,350 shares (November)	(137)	(80)
Net unrealized loss on securities available for sale	(184)	(104)
Deferred compensation	(762)	(1,197)
	-----	-----
Total stockholders' equity	141,324 -----	132,301 -----
Total liabilities and stockholders' equity	\$ 382,858 =====	\$ 313,244 =====

</TABLE>

The accompanying notes are an integral part of these statements.

HARVEYS CASINO RESORTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended May 31,		Six Months Ended May 31,	
	1996 -----	1995 -----	1996 -----	1995 -----
<S>	<C>	<C>	<C>	<C>
Revenues				
Casino	\$ 45,339	\$ 28,651	\$ 82,274	\$ 55,477
Lodging	6,195	5,665	12,259	11,391
Food and beverage	9,016	8,003	17,445	15,868
Other	1,417	1,475	2,959	3,008
Management fees and joint venture	1,508	374	2,568	371
Less: Casino promotional allowances	(4,095)	(3,519)	(8,651)	(7,133)
	-----	-----	-----	-----
Total net revenues	59,380	40,649	108,854	78,982
	-----	-----	-----	-----
Costs and expenses				
Casino	21,854	13,928	41,616	27,427
Lodging	2,786	2,314	5,073	4,488
Food and beverage	4,735	4,897	9,081	9,894
Other	678	671	1,324	1,343
Selling, general and administrative	16,785	12,147	31,172	24,506
Depreciation and amortization	3,887	3,137	7,448	6,153
Pre-opening expenses	508	-	4,098	2,147
	-----	-----	-----	-----
Total costs and expenses	51,233	37,094	99,812	75,958
	-----	-----	-----	-----
Operating income	8,147	3,555	9,042	3,024
	-----	-----	-----	-----
Other income (expense)				
Interest income	194	374	392	536
Interest expense	(2,908)	(2,457)	(5,059)	(4,344)
Minority interest in (income) loss of consolidated subsidiary	(100)	38	67	530
Other, net	(284)	(4)	(288)	13
	-----	-----	-----	-----
	(3,098)	(2,049)	(4,888)	(3,265)
	-----	-----	-----	-----
Income (loss) before income taxes and extraordinary item	5,049	1,506	4,154	(241)
Income tax (provision) benefit	(1,905)	(545)	(1,585)	85
	-----	-----	-----	-----
Income (loss) before extraordinary item	3,144	961	2,569	(156)
Extraordinary item-loss on early retirement of debt, net of income tax benefit	(141)	-	(141)	-
	-----	-----	-----	-----
Net income (loss)	\$ 3,003	\$ 961	\$ 2,428	\$ (156)
	=====	=====	=====	=====
Income (loss) per share				
Income (loss) before extraordinary item	\$ 0.33	\$ 0.10	\$.27	\$ (0.02)
Extraordinary item-loss on early				

retirement of debt, net of income tax benefit	\$ (0.02)	\$ -	\$ (0.02)	-
	-----	-----	-----	-----
Net income per share	\$ 0.31	\$ 0.10	\$ 0.25	\$ (0.02)
	=====	=====	=====	=====
Dividends declared per share	\$ 0.04	\$ 0.04	\$ 0.08	\$ 0.08
	=====	=====	=====	=====
Weighted average shares used in calculating income(loss) per share	9,623,421	9,487,551	9,537,912	9,412,165
	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these statements.

HARVEYS CASINO RESORTS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Dollars in thousands)

(Unaudited)

<TABLE>

<CAPTION>

	Six Months Ended May 31,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Increase in cash and cash equivalents		
Cash flows from operating activities:		
Net income (loss)	\$ 2,428	\$ (156)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	7,448	6,153
Other, net	11,595	7,794
	-----	-----
Net cash provided by operating activities	21,471	13,791
	-----	-----
Cash flows from investing activities:		
Capital expenditures	(48,556)	(30,907)
Investment in unconsolidated affiliate	-	(4,000)
Other, net	245	403
	-----	-----
Net cash used in investing activities	(48,311)	(34,504)
	-----	-----
Cash flows from financing activities:		
Purchase of notes and accrued interest in consolidated subsidiary	(6,000)	-
Principal payments on long-term debt	(171,274)	(30,663)
Dividends paid	(768)	(748)
Proceeds from long-term debt	74,000	54,851
Proceeds from public debt offering	150,000	-
Debt issuance costs	(5,683)	-
Other, net	(59)	(438)
	-----	-----
Net cash provided by financing activities	40,216	23,002
	-----	-----
Increase in cash and cash equivalents	13,376	2,289
Cash and cash equivalents at beginning of period	10,493	7,446
	-----	-----
Cash and cash equivalents at end of period	\$ 23,869	\$ 9,735
	=====	=====

</TABLE>

The accompanying notes are an integral part of these statements.

HARVEYS CASINO RESORTS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Consolidation - Harveys Casino Resorts (the "Company") is engaged in the casino entertainment industry. The Company owns and operates Harveys Resort Hotel Casino on the south shore of Lake Tahoe, Nevada. Until April 30, 1996, the Company, through its wholly owned subsidiary, Harveys C. C. Management Company, Inc. (HCCMC) owned 70% of the equity interest in Harveys Wagon Wheel Casino Limited Liability Company (HWW) which owns Harveys Wagon Wheel Hotel Casino in Central City Colorado. On April 30, 1996, the Company acquired all of the 30% minority interest in HWW in exchange for common stock of the Company. HCCMC has a contract to manage the Central City hotel and casino. Through its wholly owned subsidiary, Harveys L. V. Management Company, Inc. (HLVMC), the Company owns 40% of the equity interest in Hard Rock Hotel, Inc. (HRHC), which owns the Hard Rock Hotel and Casino in Las Vegas, Nevada. HLVMC has a contract to manage the Las Vegas hotel and casino which opened for business on March 9, 1995. Additionally, the Company's wholly owned subsidiary, Harveys Iowa Management Company, Inc. (HIMC) is the owner and operator of Harveys Casino/ Hotel and Kanesville Queen, a riverboat casino, hotel, convention center complex in Council Bluffs, Iowa. The riverboat casino portion of the complex opened for business on January 1, 1996 and the land-based hotel opened for business on May 24, 1996.

Pursuant to the management agreement with HRHC, the Company earns a base management fee of 4% of adjusted gross revenue (as defined in the agreement) and up to an additional 2% of adjusted gross revenue if certain financial targets are met. The Company also receives, from HWW, a management fee of 5% of adjusted gross revenue (as defined in the management agreement with HWW). These fees are for services the Company renders as the project manager for each of the hotel casinos. The management fees from HWW are eliminated in consolidation.

The condensed consolidated financial statements include the accounts of Harveys Casino Resorts and its majority and wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in unconsolidated affiliates are stated at cost adjusted by equity in undistributed earnings or losses. Minority interest represents the minority member's proportionate share of equity in HWW at November 30, 1995 and its proportionate share of income or loss from HWW until April 30, 1996, the date on which the Company acquired the minority interest in HWW.

The condensed consolidated balance sheet as of November 30, 1995 has been prepared from the audited financial statements at that date. The accompanying condensed consolidated financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial condition at May 31, 1996, have been included. All necessary adjustments affecting cash flows for the six months ended May 31, 1996 and 1995 or results of operations for the three and six months ended May 31, 1996 and 1995, have also been included. The results of operations for the interim periods should not be considered indicative of results for a full fiscal year.

Certain prior year period amounts have been reclassified to conform to the current period presentation. These reclassifications have no affect on the

net income or net loss presented for any of the periods.

These financial statements should be read in conjunction with the financial statements, and notes thereto, in the Company's Annual Report on Form 10-K for the year ended November 30, 1995.

HARVEYS CASINO RESORTS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

2. Net Income (Loss) Per Share - Net income (loss) per share is computed based on the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the period. Fully diluted per share amounts are the same as primary per share amounts for all periods presented.
3. Supplemental Disclosure of Cash Flow Information - The Company made cash payments for interest of \$6.8 million and \$ \$1.6 million during the six months ended May 31, 1996 and 1995, respectively. The Company capitalized \$2.4 million of interest in the first six months of fiscal 1996, and capitalized \$ 160,000 in the same period of fiscal 1995. The Company made cash payments for income taxes of \$302,000 in the first half of fiscal 1996, and \$200,000 during the same period of fiscal 1995.
4. Future Development Costs - The Company capitalizes costs associated with new gaming projects until: (i) the project is no longer considered viable and the costs are expensed; or (ii) the likelihood of the project is relatively certain and the costs are reclassified either to pre-opening costs and expensed when operations commence or to property and equipment and ultimately depreciated. Capitalized future development costs of approximately \$817,000 and \$724,000 were included as other assets on the balance sheet at May 31, 1996 and November 30, 1995, respectively.
5. Pre-opening Expenses - Pre-opening expenses are associated with the acquisition, development and opening of the Company's new casino resorts. These amounts are expensed when the casino commences operations and include items that were capitalized as incurred prior to opening and items that are directly related to the opening of the property and are non-recurring in nature. Approximately \$3.6 million of pre-opening expenses were expensed in the first quarter of 1996 in connection with the Company's opening of HIMC's riverboat casino in Council Bluffs, Iowa on January 1, 1996 and an additional \$508,000 was expensed in the second quarter of 1996 with the opening of HIMC's land-based hotel facilities in May 1996. Approximately \$2.1 million of pre-opening expenses were expensed in the first quarter of fiscal 1995 in conjunction with the Company's opening of Harveys Wagon Wheel Hotel Casino in December 1994. During the second quarter of fiscal 1995, the Hard Rock Hotel and Casino opened and expensed approximately \$4.5 million of pre-opening expenses. The Company's equity in the loss of the Hard Rock Hotel and Casino, which is included in management fees and joint venture revenues, includes the Company's share of those pre-opening expenses.
6. Long-Term Debt -As of the following dates long-term debt (in thousands) consisted of:

	May 31, 1996	November 30, 1995
<TABLE>		
<CAPTION>		
<S>	<C>	<C>
Subordinated notes payable to affiliates	\$ -	\$ 11,902
10% senior subordinated notes, due 2006	150,000	-
Subordinated notes, due 2000	7,800	-

Banks and others -		
Note payable to banks	-	115,000
Notes payable to financing company	4,620	5,800
Note payable-riverboat financing	18,958	-
Other	390	441
	-----	-----
	181,768	133,143
Less current portion	2,658	6,467
	-----	-----
	\$ 179,110	\$ 126,676
	=====	=====

</TABLE>

HARVEYS CASINO RESORTS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

6. Long-Term Debt (continued)

Aggregate annual maturities of long-term debt (in thousands), based on amounts borrowed as of May 31, 1996, are as follows:

<TABLE>
<CAPTION>

Years ending	
MAY 31,	
<C>	<C>
1997	\$ 2,658
1998	2,007
1999	136
2000	12
2001	26,772
2002 and thereafter	150,183

	\$ 181,768
	=====

</TABLE>

10 % Senior Subordinated Notes, Due 2006 - On May 22, 1996 the Company issued and sold, pursuant to an underwritten public offering, \$150 million in aggregate principal amount of 10 % senior subordinated notes due 2006 (the Senior Notes'). The proceeds from the sale of the Senior Notes, \$145.5 million net of underwriting commissions, were used to paydown the entire outstanding balance under the Company's reducing revolving bank credit facility and to payoff a \$10 million note payable to a private investor.

The Senior Notes are governed by an indenture (the Indenture') and are general unsecured obligations of the Company, subordinated in right of payment to all existing and future Senior Debt of the Company(as defined in the Indenture) . The Senior Notes are guaranteed by each of the Restricted Subsidiaries of the Company (as defined in the Indenture). Each guarantee is a general unsecured obligation of the guaranteeing Restricted Subsidiary, subordinated in right of payment to all existing and future Senior Debt of each guaranteeing Restricted Subsidiary. At May 31, 1996, the guaranteeing Restricted Subsidiaries were HCCMC, HWW, HIMC and HLVMC.

Interest on the Senior Notes is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 1996. The Senior Notes are redeemable at the option of the Company, in whole or in part at any time on or after June 1, 2001 at prices ranging from 105.313% of the principal amount plus accrued and unpaid interest to 100% of the principal amount plus accrued and unpaid interest beginning June 1, 2004 and thereafter. Upon a Change of Control (as defined in the Indenture) each holder of the Senior Notes will have the right to require the Company to repurchase such holder's Senior Notes at 101% of the principal amount plus accrued and unpaid interest to the repurchase date.

The Indenture contains certain covenants that impose limitations on, among other things, (i) the incurrence of additional indebtedness by the Company or any Restricted Subsidiary, (ii) the payment of dividends, (iii) the repurchase of capital stock and the making of certain other Restricted Payments and Restricted Investments (as defined in the Indenture) by the Company or any Restricted Subsidiary, (iv) mergers, consolidations and sales of assets by the Company or any Restricted Subsidiary, (v) the creation or incurrence of liens on the assets of the Company or any Restricted Subsidiary and (vi) transactions by the Company or any of its subsidiaries with Affiliates (as defined in the Indenture). These limitations are subject to a number of qualifications and exceptions as described in the Indenture.

Subordinated Notes, Due 2000 - On April 30, 1996, the Company completed exchanges whereby, (i) the Company acquired the \$11.9 million aggregate principal amount of subordinated notes payable by HWW to affiliates (the HWW Notes'), and interest accrued thereon, in exchange for \$6 million cash and \$8 million aggregate face amount of

HARVEYS CASINO RESORTS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

6. Long-Term Debt (continued)

subordinated notes of the Company, due December 31, 2000 (the Debt Exchange') and (ii) the Company acquired all of the 30% minority equity interest in HWW, and the rights to a priority return from HWW, from Mountain City Casino Partners, L. P. (Mountain City') for 382,500 shares of the Company's common stock, par value \$0.01 per share (the Equity Exchange').

The subordinated notes issued by the Company pursuant to the Debt Exchange (the Harveys Notes') are governed by an indenture (the Exchange Indenture'). The Exchange Indenture provides for redemption of the Harveys Notes at the Company's option, in whole or in part, upon not less than 30 nor more than 60 days notice at a price of 97.5% of the principal amount plus accrued and unpaid interest if redeemed before December 31, 1996, at 99% of the principal amount plus accrued and unpaid interest if redeemed before December 31, 1997 and at 100% of the principal amount plus accrued and unpaid interest if redeemed on December 31, 1997, or thereafter. The Exchange Indenture also calls for mandatory redemption, at the optional redemption prices, if the Company consummates a public debt offering of any amount. Subsequent to the closing of the Senior Note offering, the Company notified the holders of the Harveys Notes that the Company would redeem all of the Harveys Notes for an aggregate price of \$7.8 million plus accrued and unpaid interest on July 8, 1996.

Subordinated Notes Payable to Affiliates - In November 1993, HWW issued approximately \$11.9 million of 12% subordinated notes payable to affiliates of Mountain City, which, until April 30, 1996, owned a 30% minority interest in HWW. Interest on the notes was payable monthly beginning March 1995. Accrued interest through and including February 1995, of approximately \$1.9 million was payable on December 1, 1995. An initial principal payment of \$3.967 million was due in November 1995. HWW did not make the required principal payment or the \$1.9 million interest payment. On April 30, 1996 the Company acquired all of the \$11.9 million of subordinated notes, and accrued interest thereon, in exchange for \$6 million in cash and \$8 million principal amount of the Company's Subordinate Notes. See Long-Term Debt-Subordinated Notes, Due 2000.

Notes Payable to Banks - On August 14, 1995 the Company entered into a reducing revolving credit agreement with a consortium of banks. On May 15, 1996 and again on May 23, 1996 the reducing revolving credit agreement was amended, essentially to allow for the Debt Exchange, the Equity Exchange and the issuance of the Senior Notes.

Currently under the amended reducing revolving credit agreement (the Credit Facility') the Company can borrow up to a maximum available principal balance of \$150 million. The maximum available under the Credit Facility is reduced by the advanced but unpaid principal balance and by any letter of credit exposure. The advanced but unpaid principal balance at November 30, 1995 was \$115 million. As a result of using a portion of the proceeds from the sale of the Senior Notes to paydown the outstanding balance, there were no amounts advanced but unpaid under the Credit Facility at May 31, 1996. Outstanding letters of credit amounted to approximately \$2.2 million at May 31, 1996. The note payable under the Credit Facility matures in August 2000. Until then, the annual year-end maximum principal balances are as follows:

<TABLE>

<CAPTION>

	November 30,	

<C>		<C>
1996		\$ 150,000
1997		135,000
1998		120,000
1999		97,500

</TABLE>

HARVEYS CASINO RESORTS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

6. Long-Term Debt (continued)

The Company pays quarterly fees at an annual rate of three-eighths (0.375%) or one-half of one percent (0.5%) on the unborrowed maximum principal balance depending on the Company's ratio of funded debt to earnings before interest, taxes, depreciation and amortization. The rate in affect at November 30, 1995 and May 31, 1996 was 0.5%.

Interest is due and payable monthly and is provided at the higher of the prime rate or the Federal Funds Rate plus one-half of one percent (0.5%), plus an applicable margin determined by the Company's ratio of funded debt to earnings before interest, taxes, depreciation and amortization. However, in accordance with the terms of the Credit Facility, the Company has the option to cause portions, or all, of the outstanding principal balance to accrue interest at a rate equal to the London Inter-Bank Offering Rate (LIBOR) plus the applicable margin.

The note is collateralized by all of the Company's property and equipment, contract rights, leases, intangibles and other security interest related to Harveys Resort Hotel Casino, Harveys Wagon Wheel Hotel Casino and the Company's wholly-owned subsidiary, HIMC. The Credit Facility also contains covenants which require the Company to maintain certain financial ratios. A member of the Company's Board of Directors is also a director of the lead bank of the consortium of banks making the loan.

Notes Payable to Financing Company- HWW entered into an equipment financing agreement with a financing company to finance the acquisition of up to \$7.5 million of gaming and associated equipment. The principal balance of the secured notes under the equipment financing agreement as of May 31, 1996 was approximately \$4.6 million. The notes are secured by the equipment acquired and are payable in monthly payments of approximately \$194, 000 and \$56,000 including interest at 12.15%. The notes will mature in December, 1997, and July, 1998, respectively.

Note Payable, Riverboat Financing- On December 26, 1995, HIMC entered into a \$20 million Loan and Security Agreement (the Iowa Loan Agreement'). As security for the loan, HIMC granted the lender a first preferred ship

mortgage on the riverboat casino vessel known as the Harveys Kanesville Queen and a first priority security interest in all personalty, earnings and insurance from the riverboat only, excluding personalty, earnings and insurance derived from casino gaming operations. The obligation under the Iowa Loan Agreement was guaranteed by Harveys Casino Resorts. Borrowings under the Iowa Loan Agreement bore interest at a fixed rate of 8.42% per annum. Principal and interest payments commenced in January 1996 and were paid monthly. The Company applied a portion of the net proceeds from the offering of the Senior Notes to retire the note payable under the Iowa Loan Agreement in June 1996.

7 Extraordinary Item - In May 1996, the Company expensed the remaining unamortized debt issuance costs related to a \$10 million note payable to a private investor that was retired before maturity. This item was reflected in the 1996 operating results as an extraordinary loss of approximately \$141,000 which was net of an income tax benefit of approximately \$85,000. The Company applied a portion of the net proceeds from the sale of the Senior Notes to retire the note payable under the Iowa Loan Agreement in June 1996 and recognized approximately \$302,000 of expense, before income tax benefit, by expensing the unamortized debt issuance cost related to that agreement. In July 1996 the Company will retire the Harveys Notes and expects to recognize approximately \$400,000 of similar expense before income tax benefits.

HARVEYS CASINO RESORTS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

8. Commitments - Until May 10, 1996, the Company, with the approval of its lenders, guaranteed up to \$66.0 million of a loan on behalf of HRHC. On May 10, 1996 the Company was released from such guarantee. The Company paid a fee of approximately \$385,000 to the banks participating in the HRHC loan as a condition of the release.

On January 1, 1996, the Company opened the riverboat casino portion of its project in Council Bluffs, Iowa and on May 24, 1996 opened the 251-room, land-based hotel facilities. The Company is in the process of finishing construction of the 21,000 square foot convention facility and other land-based amenities. As a result, the Company has entered into a number of contracts or agreements relative to the development of the Council Bluffs project. The cost of the project, including the riverboat casino vessel and pre-opening expenses is expected to be approximately \$110.5 million. Through May 31, 1996 the Company had incurred approximately \$107 million of project costs.

9. Unconsolidated Affiliate - The Company owns a 40% equity interest in HRHC. Pursuant to a management agreement, the Company earns a base management fee of 4% of adjusted gross revenue (as defined in the agreement), and up to an additional 2% of adjusted gross revenue if certain financial targets are met, from HRHC. The Company accounts for its investment in HRHC on the equity method. The Hard Rock Hotel and Casino opened on March 9, 1995. Operating results prior to the opening were immaterial. Summarized, unaudited statement of operations information (in thousands of dollars) for HRHC, follows:

<TABLE>
<CAPTION>

	Three Months Ended May 31,		Six Months Ended May 31,	
	1996	1995	1996	1995
<S> Net revenues	<C> \$20,176	<C> \$19,905	<C> \$38,256	<C> \$19,905

Operating income (loss)	3,987	(1,201)	6,646	(1,220)
Net income (loss)	1,596	(1,760)	2,301	(1,767)

</TABLE>

The results for the three months and six months ended May 31, 1995 include the effects of nonrecurring pre-opening expenses of approximately \$4.5 million.

10. Summarized Financial Information of Subsidiaries - The Senior Notes issued by the Company are guaranteed by all direct and in direct subsidiaries of the Company except for subsidiaries for which the Company's share of assets, net investment in assets, and income before taxes are inconsequential to consolidated total assets and consolidated income before taxes. The guarantees are full and unconditional and are joint and several. The following summarized combined financial information of the guarantor subsidiaries includes the accounts of HCCMC, HWW (which became

HARVEYS CASINO RESORTS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

10. Summarized Financial Information of Subsidiaries (continued)

<TABLE>

<CAPTION>

	May 31, 1996	November 30, 1995
	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Balance Sheet Data (in thousands)		
Assets:		
Current assets	\$ 13,149	\$ 6,591
Noncurrent assets	181,391	130,627
	-----	-----
Total assets	\$ 194,540	\$ 137,218
	=====	=====
Liabilities and Stockholders' Equity:		
Current liabilities	\$ 29,588	\$ 16,862
Noncurrent liabilities	124,835	83,371
Minority interest in subsidiary	-	1,758
Stockholders' equity	40,117	35,227
	-----	-----
Total liabilities and stockholders' equity	\$ 194,540	\$ 137,218
	=====	=====

</TABLE>

<TABLE>

<CAPTION>

	Three Months Ended May 31,		Six Months Ended May 31,	
	-----	-----	-----	-----
	1996	1995	1996	1995
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>	<C>
Statement of Operations Data (in thousands)				
Net revenues	\$ 29,160	\$12,040	\$ 50,775	\$ 22,260
Costs and expenses	(22,103)	(9,288)	42,643)	(19,559)
Other expense	(2,448)	(1,804)	(3,827)	(2,384)

Income tax provision	(1,739)	(342)	(1,644)	(112)
	-----	-----	-----	-----
Net income	\$ 2,870	\$ 606	\$ 2,661	\$ 205
	=====	=====	=====	=====

<S> <C> <C>

Statement of Cash Flows Data
(in thousands)

Net cash provided by operating activities	\$ 11,624	\$ 2,409
Net cash used in investing activities	(42,667)	(32,985)
Net cash provided by financing activities	40,006	31,661
	-----	-----
Increase in cash and cash equivalents	\$ 8,963	\$ 1,085
	=====	=====

</TABLE>

HARVEYS CASINO RESORTS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Prior to fiscal 1995 the Company's operations were substantially limited to those of Harveys Resort Hotel Casino on the south shore of Lake Tahoe, Nevada. During fiscal 1993, the Company began investing in expansion projects designed to expand the Company's operations into new and diverse markets. On December 2, 1994, the first of the expansion projects, Harveys Wagon Wheel Hotel Casino opened in Central City, Colorado. On March 9, 1995, the Hard Rock Hotel and Casino opened in Las Vegas, Nevada. On January 1, 1996 the riverboat casino portion of Harveys Casino Hotel and Kanesville Queen opened for business in Council Bluffs, Iowa and, on May 24, 1996, the adjacent land-based hotel, food and beverage facilities opened.

On April 30, 1996, the Company acquired the 30% minority interest in HWW and Harveys Wagon Wheel Hotel Casino and HWW became wholly-owned by the Company. The operations of Harveys Wagon Wheel Hotel Casino are managed by HCCMC, a wholly-owned subsidiary of the Company. HCCMC receives a fee for management services provided by HCCMC. The accounts of HWW are consolidated with those of the Company. All significant intercompany transactions and accounts are eliminated in consolidation, including the elimination of the management fee.

The Hard Rock Hotel and Casino is owned by HRHC., a Nevada corporation, of which the Company, through its wholly owned subsidiary, HLVMC, owns 40% of the equity interest. HLVMC manages the operations of the Hard Rock Hotel and Casino pursuant to a management agreement between the Company and HRHC and receives management fees that are included in the Company's consolidated revenues. The investment in HRHC is accounted for on the equity method.

Harveys Casino/Hotel and Kanesville Queen project is wholly-owned and, since its opening in 1996, operated by the Company's wholly-owned subsidiary, HIMC. The accounts of HIMC are consolidated with those of the Company. All significant intercompany transactions and accounts are eliminated in consolidation.

On May 22, 1996, the Company received \$145.5 million in proceeds, net of underwriting commissions, from the sale of \$150 million of Senior Notes.

The changes in the operating results for the second quarter and first six months of fiscal 1996 as compared to the second quarter and first six months of fiscal 1995 were primarily the result of the opening of the Company's expansion projects in fiscal 1996 and fiscal 1995. The changes in the Company's financial condition, liquidity, and capital resources, as discussed below, were primarily attributable to the Company's expansion efforts, the acquisition of the minority interests in HWW, the acquisition of the HWW Notes and the public debt offering of the Senior Notes.

RESULTS OF OPERATIONS

<TABLE>
<CAPTION>

<S>	Three Months Ended May 31,		Six Months Ended May 31	
	1996	1995	1996	1995
	(dollars in thousands)			
<C>	<C>	<C>	<C>	<C>
Net Revenues				
Harveys Resort Hotel Casino	\$ 30,220	\$ 29,312	\$ 58,078	\$ 57,429
Harveys Wagon Wheel Hotel Casino	11,720	10,963	21,404	21,182
Harveys Casino/Hotel & Kaneshville Queen (1)	15,932	-	26,804	-
Harveys Las Vegas Management Company (2)	1,508	374	2,568	371
Corporate and Development (3)	-	-	-	-
	-----	-----	-----	-----
Total Net Revenues	\$ 59,380	\$ 40,649	\$ 108,854	\$ 78,982
Operating Income (Loss):				
Harveys Resort Hotel Casino (3)	\$ 4,143	\$ 4,054	\$ 6,529	\$ 5,957
Harveys Wagon Wheel Hotel Casino (4)	2,687	1,728	3,990	1,676
Harveys Casino/Hotel & Kaneshville Queen (1)	2,917	-	1,687	-
Harveys Las Vegas Management Company (2)	1,453	321	2,455	318
Corporate and Development (3)	(3,053)	(2,548)	(5,619)	(4,927)
	-----	-----	-----	-----
Total Operating Income	\$ 8,147	\$ 3,555	\$ 9,042	\$ 3,024
	=====	=====	=====	=====
EBITDA (5):				
Harveys Resort Hotel Casino	\$ 6,290	\$ 6,307	\$ 10,895	\$ 10,445
Harveys Wagon Wheel Hotel Casino	3,411	2,559	5,484	5,434
Harveys Casino/Hotel & Kaneshville Queen	4,375	-	7,251	-
Harveys Las Vegas Management Company	1,508	1,378	2,566	1,378
Corporate and Development	(3,042)	(2,548)	(5,608)	(4,927)
	-----	-----	-----	-----
Total EBITDA	\$ 12,542	\$ 7,696	\$ 20,588	\$ 12,330

</TABLE>

(1) The riverboat casino portion of Harveys Casino/Hotel & Kaneshville Queen commenced casino operations on January 1, 1996, and the land-based hotel facilities opened on May 24, 1996. The operating results for the three months and six months ended May 31, 1996 include approximately \$0.5 million and \$4.1 million of pre-opening expenses, respectively.

(2) Net revenues and operating income for HLVMC, the wholly-owned subsidiary of the Company that provides management services to the Hard Rock Hotel and Casino, consist of fees earned by such entity pursuant to the terms of a management agreement and the 40% equity interest in the income or loss of the Hard Rock Hotel and Casino. The fiscal 1995 periods include the effect of HLVMC's pro rata share of after-tax pre-opening expenses of approximately \$1.0 million.

(3) Harveys Resort Hotel Casino is a revenue-generating asset owned by the Company. The operating results relative to corporate and development expenses have been excluded from those of Harveys Resort Hotel Casino and presented under 'Corporate and Development' in the table above. The Company believes the above presentation may be useful to potential investors in evaluating the financial performance of Harveys Resort Hotel Casino.

(4) For the six months ended May 31, 1995, includes approximately \$2.1 million of pre-opening expenses.

(5) EBITDA (operating income plus depreciation and amortization) should not

be construed as an indicator of the Company's operating performance, or as an alternative to cash flows from operating activities as a measure of liquidity. The Company has presented EBITDA solely as supplemental disclosure because the Company believes that it enhances the understanding of the financial performance of companies with substantial depreciation and amortization. For the six months ended May 31, 1995, Harveys Wagon Wheel Hotel Casino's EBITDA excludes approximately \$2.1 million of pre-opening expenses. For the three months and six months ended May 31, 1995 HLVMC's EBITDA excludes approximately \$1.0 million of HLVMC's pro rata share of after-tax pre-opening expenses associated with the March 1995 opening of the Hard Rock Hotel and Casino. For the three months and six months ended May 31, 1996, Harveys Casino Hotel & Kaneshville Queen's EBITDA excludes approximately \$0.5 million and \$4.1 million of pre-opening expenses, respectively.

COMPARISON OF THE SECOND QUARTERS ENDED MAY 31, 1996 AND MAY 31, 1995

The Company's consolidated net revenues for the second quarter of fiscal 1996 amounted to approximately \$59.4 million, a new record for the Company's second quarter and an increase of \$18.7 million, or 46.1% over net revenues recorded in the second quarter of fiscal 1995. The increase was attributable to the \$15.9 million of net revenues produced in the first full quarter of operations of the Company's riverboat casino in Council Bluffs, Iowa. The increase in net revenues generated during the current year second quarter at the Company's Lake Tahoe property amounted to approximately \$908,000. Harveys Wagon Wheel Hotel Casino experienced a 6.9% increase in net revenues, up \$757,000 comparing fiscal year 1996 second quarter amounts to those generated at the Central City, Colorado property's inaugural second quarter of operations in fiscal 1995. The Hard Rock Hotel and Casino, which opened during the second quarter in fiscal 1995, contributed an increase of nearly \$1.1 million to the Company's net revenues in the second quarter of fiscal 1996, by way of management fees and equity in the joint venture income.

Fiscal 1996 second quarter casino revenues, enhanced by the riverboat casino operations in Council Bluffs, amounted to approximately \$45.3 million, an increase of \$16.6 million over the prior year comparable quarter. The initial second quarter of gaming activity on board the riverboat produced approximately \$15.4 million of casino revenue accounting for the majority of the quarter-over-quarter increase. The Lake Tahoe and Colorado properties contributed \$264,000 and \$1 million, respectively, to the increase in casino revenues. Casino costs and expenses also increased for the comparable quarterly periods, up \$7.9 million to \$21.9 million for the current year period. The riverboat casino accounted for \$6.6 million of the increase while the Lake Tahoe and Colorado operations accounted for approximately \$589,000 and \$754,000 of the increase, respectively, due to increases in casino complimentarys and promotions at both properties.

Lodging revenues for the fiscal 1996 second quarter improved by approximately \$530,000 over the prior year second quarter and amounted to \$6.2 million. Increases in the occupancy rate at the Lake Tahoe hotel and the opening of the hotel facility in Council Bluffs at quarter-end provided for the lodging revenues improvement. Lodging profit margins also improved for the quarter-to-quarter comparison due to cost control improvements recognized at the Central City hotel.

Food and beverage revenues for the current fiscal year second quarter amounted to \$9.0 million, an improvement of \$1.0 million over the prior year second quarter. The beverage and limited food service aboard the Council Bluffs riverboat casino provided \$786,000 of the increase. Expanded food and beverage offerings became available at the Council Bluffs land-based facilities at the end of May 1996. Food and beverage costs declined by approximately \$162,000, or 3.3 %, in the quarter-to-quarter comparison due to improvements in cost-of-sales and labor costs at both the Lake Tahoe and Central City operations.

Other revenues for the fiscal second quarter remained flat with those from the prior fiscal year second quarter. The contribution from the Company's management fees and 40% equity participation in the Hard Rock Hotel and Casino amounted to an increase of approximately \$1.1 million. The Hard Rock Hotel and Casino opened nine days into the second quarter of fiscal 1995 and, consequently, the three month period of the prior year includes the effect of HLVMC's pro rata share of after-tax pre-opening expenses of approximately \$1 million.

Selling, general and administrative expenses increased by approximately \$4.6 million, or 38.2% to \$16.8 million for the current fiscal year second quarter. The first full quarter of operations in Council Bluffs resulted in approximately \$4.3 million of selling, general and administrative expenses, excluding the recognition of pre-opening expenses. The Central City operations recognized an improvement in overall selling, general and administrative expenses of approximately \$365,000 from the second quarter of

fiscal 1995 compared to the current fiscal year second quarter, while these expenses increased by \$163,000 at the Lake Tahoe property. Depreciation and amortization expenses increased by \$750,000. All of the increase was associated with the opening and operation of the riverboat casino beginning in January 1996 in Council Bluffs. Net interest expense increased by \$631,000 or 30.3% to approximately \$2.7 million for the second quarter of fiscal 1996. The increase in interest expense was recognized as a result of the financing of the Council Bluffs project.

With the opening of the Council Bluffs land-based facilities in the second quarter of fiscal 1996, the Company recognized approximately \$508,000 of pre-opening expenses. In the second quarter of 1995 the Hard Rock Hotel and Casino results were affected by the expensing of approximately \$4.5 million of pre-opening costs. These charges had previously been incurred in connection with the development of those properties and deferred until operations commenced. HLVMC's pro rata after-tax share of the Hard Rock Hotel and Casino pre-opening expenses amounted to approximately \$1 million and was included in management fees and joint venture revenues.

In May 1996, the Company expensed the remaining unamortized debt issuance costs related to a \$10 million note payable to a private investor that was retired before maturity. This item was reflected in the 1996 operating results as an extraordinary loss of approximately \$141,000 which was net of an income tax benefit of approximately \$85,000. Consistent with the description of the use of proceeds relative to the sale of the Senior Notes, the Company retired the note payable under the Iowa Loan Agreement in June 1996 and recognized approximately \$302,000 of expense, before income tax benefit, by expensing the unamortized debt issuance cost related to that agreement. In July 1996 the Company will retire the Harveys Notes and expects to recognize approximately \$400,000 of similar expense before income tax benefits.

The net income for the fiscal 1996 second quarter amounted to approximately \$3.0 million compared to \$961,000 for the prior fiscal year second quarter. If pre-opening expenses, net of income taxes, were excluded from both periods, and, if the extraordinary loss on early retirement of debt was excluded from the current year period, the results would have been net income of approximately \$3.5 million for the current fiscal year period and net income of approximately \$2 million for the prior year period.

COMPARISON OF THE SIX MONTH PERIODS ENDED MAY 31, 1996 AND MAY 31, 1995

The Company's consolidated net revenues through the six months ended May 31, 1996 amounted to approximately \$108.9 million, an increase of \$29.9 million, or 37.8% over net revenues recorded in the same period of fiscal 1995. The increase was primarily attributable to the \$26.8 million of net revenues produced in the operations of the Company's riverboat casino in Council Bluffs, Iowa. Net revenues generated during the current year at the

Company's Lake Tahoe property accounted for approximately \$649,000 of the increase. Harveys Wagon Wheel Hotel Casino experienced a \$222,000 increase in net revenues, comparing fiscal year 1996 amounts to those generated at the Central City, Colorado property's inaugural operations in fiscal 1995. The Hard Rock Hotel and Casino, which opened in March, 1995, contributed an increase of nearly \$2.2 million to the Company's net revenues in the first six months of fiscal 1996, by way of management fees and equity in the joint venture income. The prior year period's management fees and equity in joint venture income were diminished by approximately \$1 million as a result of HLVMC's pro rata share of after-tax pre-opening expenses.

Year-to-date casino revenues, including five months of casino revenues from the riverboat casino operations in Council Bluffs, amounted to approximately \$82.3 million, an increase of \$26.8 million over the prior year period. The

gaming activity on board the riverboat produced approximately \$25.9 million of casino revenue, accounting for the majority of the year-to-date increase. The Lake Tahoe operations contributed approximately \$213,000 and the Colorado operations contributed approximately \$638,000 to the casino revenue increase. Casino costs and expenses also increased for the comparable year-to-date periods, up \$14.2 million to \$41.6 million for the current year. The riverboat casino accounted for \$11.3 million of the increase while the Lake Tahoe and Colorado operations accounted for approximately \$1.3 million and \$1.6 million of the increase, respectively, due in part, to increases in casino complimentarys and promotions at both properties.

Lodging revenues for the fiscal 1996 six month period improved by approximately \$868,000 over the prior year comparable period and amounted to \$12.3 million. Increases in the occupancy rate at the Lake Tahoe and Central City hotels and the opening of the hotel facility in Council Bluffs at the end of May 1996 provided for the lodging revenues improvement. Lodging profit margins also improved for the six month comparison with improvements recognized at both Lake Tahoe and Central City.

Food and beverage revenues for the current fiscal year period amounted to \$17.4 million, an improvement of \$1.6 million over the 1995 period. The beverage and limited food service aboard the Council Bluffs riverboat casino provided \$1.3 million of the increase. Expanded food and beverage offerings were available at the Council Bluffs land-based facilities at the close of the six month period ended May 31, 1996. Food and beverage costs declined by approximately \$813,000, or 8.2 %, in the period-to-period comparison due to improvements in cost-of-sales at the Lake Tahoe property and improvements in cost-of-sales and labor at the Central City operations.

In June 1996, HWW entered into a management agreement with an unaffiliated management company (the Management Company') whereby the Management Company will provide substantially all of the food service and a portion of the beverage service at Harveys Wagon Wheel Hotel Casino commencing August 1, 1996. The managed food service facilities will include a Tony Roma's Famous For Ribs restaurant. The Management Company will pay HWW a monthly base fee and potentially an annual percentage fee if the Management Company's food and beverage revenues exceed an established target. Consequently, operating results for Harveys Wagon Wheel Hotel Casino for periods after August 1, 1996 will reflect diminished food and beverage revenues and diminished food and beverage costs and expenses. Other revenues will include fees earned by the Company and payable by the Management Company.

Other revenues for the fiscal year-to-date period remained flat with those from the prior fiscal year period. The contribution from the Company's management fees and 40% equity participation in the Hard Rock Hotel and Casino amounted to an increase in revenues of approximately \$2.2 million. The Hard Rock Hotel and Casino opened in March 1995 and, consequently, the six month period of the prior year includes the effect of HLVMC's pro rata share of after-tax pre-opening expenses of approximately \$1 million.

Selling, general and administrative expenses increased by approximately \$6.7 million, or 27.2% to \$31.2 million for the current fiscal year period. The operations in Council Bluffs resulted in approximately \$7.3 million of expenses of a selling, general or administrative nature, excluding the recognition of pre-opening expenses. The Central City operations recognized an improvement in overall selling, general and administrative expenses of approximately \$411,000 from the fiscal 1995 period compared to the current fiscal year, while these expenses also decreased by \$209,000 at the Lake Tahoe property. Depreciation and amortization expenses increased by \$1.3 million. All of the increase was associated with the opening and operation

of the riverboat casino beginning in January 1996, in Council Bluffs. Net interest expense increased by \$859,000 or 22.6% to approximately \$4.7 million for the fiscal 1996 period. The increase in interest expense was recognized as a result of the financing of the Council Bluffs project.

With the opening of the Council Bluffs riverboat casino in January 1996 and the opening of land-based facilities in May 1996, the Company recognized approximately \$4.1 million of pre-opening expenses. In the prior fiscal year the Company opened Harveys Wagon Wheel Hotel Casino in the first quarter and recognized approximately \$2.1 million of pre-opening expenses. Additionally, the Company's equity in the loss from the Hard Rock Hotel and Casino included the prorata effects of approximately \$4.5 million of pre-opening costs expensed at the Hard Rock Hotel and Casino during the second quarter of fiscal 1995. These charges had previously been incurred in connection with the development of the properties and deferred until operations commenced.

In May 1996, the Company expensed the remaining unamortized debt issuance costs related to a \$10 million note payable to a private investor that was retired before maturity. This item was reflected in the 1996 operating results as an extraordinary loss of approximately \$141,000 which was net of an income tax benefit of approximately \$85,000. Consistent with the description of the use of proceeds relative to the sale of the Senior Notes, the Company retired the note payable under the Iowa Loan Agreement in June 1996 and recognized approximately \$302,000 of expense, before income tax benefit, by expensing the unamortized debt issuance cost related to that agreement. In July 1996 the Company will retire the Harveys Notes and expects to recognize approximately \$400,000 of similar expense before income tax benefits.

The net income for the fiscal 1996 period amounted to approximately \$2.4 million compared to a loss of \$156,000 for the prior fiscal year period. If pre-opening expenses, net of taxes, were excluded from both periods, and, if the extraordinary loss on early retirement of debt was excluded from the current year period, the results would have been net income of approximately \$5.1 million for the current fiscal year period and approximately \$1.8 million for the comparable period of fiscal 1995.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity and capital resources to date have been cash flow from operations, borrowings under various credit arrangements, and in fiscal 1996, the net proceeds of \$145.5 million, net of underwriting commissions, from the Company's public debt offering.

At May 31, 1996 the Company had approximately \$ 23.9 million of cash and cash equivalents and a maximum of \$147.8 million available under the Credit Facility, subject to certain financial covenant compliance. Cash flow from operations for the first half of fiscal 1996 was approximately \$21.5 million compared to \$13.8 million for the first half of fiscal 1995.

During the first half of fiscal 1996, the Company continued to fund the development and construction of the Council Bluffs project with cash expenditures of \$42.5 million. Additionally, the Company made cash payments for dividends of approximately \$768,000 during the six month period and

incurred additional cash expenditures of approximately \$6.1 million in connection with capital improvements and replacements at Harveys Resort Hotel Casino.

In addition, on April 30, 1996, in agreement with the terms of the Debt Exchange, the Company paid the holders of the HWW Notes an aggregate of \$6 million in cash and an aggregate of \$8 million of the subordinated Harveys Notes in exchange for all of the outstanding HWW Notes and unpaid interest accrued thereon. On such date, in agreement with the terms of the Equity Exchange, the Company also exchanged 382,500 shares of the Company's common stock for (i) 30% of the equity interests of HWW, (ii) the rights to an approximately \$3 million priority return from HWW and (iii) an option to acquire an additional 5% of the equity interests in HWW.

On May 22, 1996, the Company completed its public debt offering of the \$150 million in Senior Notes. The proceeds, \$145.5 million net of underwriting commissions, were used to paydown the entire outstanding balance under the Credit Facility and to payoff a \$10 million note that was executed in February 1996 with a private investor. The Company expensed the associated unamortized debt issuance costs upon the retirement of the \$10 million note. The expense amounted to approximately \$141,000, net of an income tax benefit of approximately \$85,000.

In May 1996, in preparation for the public debt offering, the Company negotiated a release of its guarantee of the amount outstanding under HRHC's reducing revolving credit facility. The Company paid a fee of approximately \$385,000 to the banks participating in the reducing revolving credit facility in connection with the release.

As a result of the Debt Exchange, the Equity Exchange, the public debt offering and the use of proceeds therefrom, and borrowings to fund capital expenditures, the Company's long-term debt at May 31, 1996 amounted to approximately \$168.2 million, compared to approximately \$126.7 million at November 30, 1995.

After May 31, 1996, and after the required notification periods, the Company used available cash and borrowings under the Credit Facility to payoff the \$8 million principal amount, and accrued interest thereon, of the Harveys Notes issued in the Debt Exchange and to payoff the approximately \$19 million of principal, and accrued interest thereon, outstanding under the Iowa Loan Agreement.

The Harveys Notes were redeemed at a redemption price of 97.5%, or \$7.8 million, plus accrued and unpaid interest. The Company will recognize approximately \$400,000, before income tax benefits, as a loss on early retirement of debt by expensing the unamortized debt issuance costs related to the Harveys Notes.

The note payable under the Iowa Loan Agreement was retired at par plus accrued and unpaid interest. The unamortized debt issuance costs related to the Iowa Loan Agreement amounted to approximately \$302,000 at retirement and were expensed in June 1996.

As a result of these transactions subsequent to the end of the second quarter and borrowing to fund the Council Bluffs project, the Company's current debt consists of the \$150 million in Senior Notes, \$25 million outstanding under the Credit Facility, \$4.2 million outstanding under HWW's equipment financing notes payable to a financing company and approximately \$371,000 of other debt.

The equipment financing agreement entered into by HWW allowed for the financing of up to \$7.5 million of gaming and associated equipment. Under the terms of the agreement, repayments of principal and interest are due in 36 monthly installments. The equipment financing agreement is secured by all of the gaming and associated equipment financed under the agreement. The

obligation under the financing agreement is guaranteed by the Company.

The maximum available principal balance under the Credit Facility of \$150 million is reduced by outstanding borrowings and letter of credit exposure. At November 30, 1995 the outstanding borrowings under the Credit Facility amounted to \$115 million and letters of credit exposure amounted to approximately \$1.7 million leaving \$33.3 million available. At May 31, 1996, there were no outstanding borrowings under the Credit Facility, the letters of credit exposure had increased to \$2.2 million and the maximum amount available was approximately \$147.8 million, subject to compliance with financial covenants.

The Credit Facility matures on August 16, 2000. There are no required repayments of principal under the Credit Facility in 1996. In 1997, required repayments of principal, assuming maximum principal amounts are outstanding, total approximately \$15 million. The year-end maximum principal balance outstanding under the Credit Facility reduces to \$135 million in 1997, \$120 million in 1998 and \$97.5 million in 1999. The Company is required to make payments reducing the principal balance outstanding under the Credit Facility to the applicable maximum permitted principal balance on February 1, of each of 1997, 1998, 1999 and 2000. The Credit Facility is secured by all of the real and personal property of, (i) Harveys Resort Hotel Casino, (ii) HIMC and (iii) HWW, including a pledge of the subsidiaries' stock, as well as all of the contracts the Company has entered into in connection with its ownership and operation of, (i) Harveys Resort Hotel Casino, (ii) HIMC and (iii) HWW. Interest on borrowings outstanding under the Credit Facility is payable, at the Company's option, at either the LIBOR or the prime rate of Wells Fargo Bank, formerly First Interstate Bank of Nevada, N. A. (Wells Fargo'), in each case plus an applicable margin. The applicable margin is determined with reference to the Company's funded debt to EBITDA ratio. The applicable margins as of May 31, 1996 were 2.0% with respect to the LIBOR based interest rate, and 0.5%, with respect to the Wells Fargo prime rate based interest rate.

The Credit Facility contains certain financial and other covenants. The financial covenants prevent the Company from making any investments in or advances to affiliates without the prior written consent of the lenders under the Credit Facility. The covenants allow the declaration and payment of dividends without the prior written consent of the lenders if certain fixed charge coverage ratios are maintained. The covenants require the Company to maintain certain set standards with respect to (i) minimum tangible net worth, (ii) fixed charge coverage ratios and (iii) minimum annual capital expenditures. The financial covenants also limit the Company's ability to incur additional indebtedness.

The Company pays Wells Fargo an annual agency fee of \$100,000 for its services as agent of the lenders under the Credit Facility and an annual non-usage fee of or 1/2 of 1% of the average daily amount of the unused portions of funds committed under the Credit Facility, depending upon the applicable interest rate margin.

The Senior Notes are governed by an indenture (the Indenture') and are general unsecured obligations of the Company, subordinated in right of payment to all existing and future Senior Debt of the Company (as defined in the Indenture). The Senior Notes are guaranteed by each of the Restricted Subsidiaries of the Company (as defined in the Indenture). Each guarantee is a general unsecured obligation of the guaranteeing Restricted Subsidiary, subordinated in right of payment to all existing and future Senior Debt of each guaranteeing Restricted Subsidiary. At May 31, 1996, the guaranteeing Restricted Subsidiaries were HCCMC, HWW, HIMC and HLVMC.

Interest on the Senior Notes is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 1996. The Senior Notes are redeemable at the option of the Company, in whole or in part at any time on or after June 1, 2001 at prices ranging from 105.313% of the principal amount plus

accrued and unpaid interest, to 100% of the principal amount plus accrued and unpaid interest beginning June 1, 2004 and thereafter. Upon a Change of Control (as defined in the Indenture) each holder of the Senior Notes will have the right to require the Company to repurchase such holder's Senior Notes at 101% of the principal amount plus accrued and unpaid interest to the repurchase date.

The Indenture contains certain covenants that impose limitation on, among other things, (i) the incurrance of additional indebtedness by the Company or any Restricted Subsidiary, (ii) the payment of dividends, (iii) the repurchase of capital stock and the making of certain other Restricted Payments and Restricted Investments (as defined in the Indenture) by the Company or any Restricted Subsidiary, (iv) mergers, consolidations and sales of assets by the Company or any Restricted Subsidiary, (v) the creation or incurrance of liens on the assets of the Company or any Restricted Subsidiary and (vi) transactions by the Company or any of its subsidiaries with Affiliates (as defined in the Indenture). These limitations are subject to a number of qualifications and exceptions as described in the Indenture.

The Company believes that its existing cash and cash equivalents, cash flows from operations, and its borrowing capacity under the Credit Facility are sufficient to meet the cash requirements of its existing operations, including, (i) the completion of construction of the Council Bluffs project, (ii) capital improvements and replacements at the operating properties, (iii) the construction of a parking garage adjacent to Harveys Wagon Wheel Hotel Casino and (iv) debt service requirements. The existing sources of cash also provide the Company some flexibility in potential expansion of current operations or in its pursuit of new gaming opportunities in existing and emerging jurisdictions. The realization of such expansion opportunities may require capital investments in excess of current resources and additional financing may be required. The Company believes that additional funds could be obtained through additional debt or equity financing. However, no assurance can be made that such financing would be available at terms acceptable to the Company, if at all .

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.
Not Applicable

Item 2. Changes in Securities.
Not Applicable

Item 3. Defaults Upon Senior Securities
Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders

The Company's annual meeting was held on March 28, 1996

Matters voted upon at the meeting were the election of three directors, each to a three year term, and approval of the 1996 Omnibus Incentive Plan. In respect to the election of directors the following results were tabulated: William B. Ledbetter, 8,660,586 votes for, 24,148 votes withheld, 719,845 abstentions or broker non-votes; Kirk B. Ledbetter, 8,660,482 votes for, 24,252 votes withheld, 719,845 abstentions or broker non-votes; Donald D. Snyder, 8,660,897 votes for, 23,837 votes withheld, 719,845 abstentions or broker non-votes. In

respect to the approval of the 1996 Omnibus Incentive Plan the following results were tabulated: 7,138,894 votes for, 748,129 votes against, 1,517,556 abstentions or broker non-votes.

Item 5. Other Information.
Not Applicable

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits
See attached Exhibit Index
- (b) Reports on Form 8-K
None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HARVEYS CASINO RESORTS
Registrant

Date: July 12, 1995 /s/ John J. McLaughlin

John J. McLaughlin,
Senior Vice President,
Chief Financial Officer and Treasurer
(Authorized Officer and Principal
Financial Officer)

EXHIBIT INDEX

<TABLE>
<CAPTION>
Exhibit
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<S>	<C>
2.1	Acquisition Agreement, dated as of March 28, 1996, between the Registrant and Mountain City Casino Partners, L. P. (9)
3.1	Restated Articles of Incorporation of the Registrant (1)
3.2	Sixth Amended Bylaws of the Registrant (11)
4.1	Form of Stock Certificate of the Registrant (1)
4.2	Indenture, dated as of April 30, 1996 between the Registrant and IBJ Schroder Bank and Trust, as Trustee (including form of Note) (9)
4.3	Indenture, dated as of May 15, 1996 by and among the Registrant (the Issuer') Harveys Wagon Wheel Casino Limited Liability

Company, Harveys C. C. Management Company, Inc., Harveys Iowa Management Company, Inc. and Harveys L. V. Management Company, Inc. (the Guarantors') and IBJ Schroder Bank & Trust Company as Trustee (including form of Note) (10)

- 4.4 First Supplemental Indenture, dated as of June 5, 1996, supplementing the Indenture dated as of May 15, 1996 among the Registrant (the Issuer'), Harveys Wagon Wheel Casino Limited Liability Company, Harveys C. C. Management Company, Inc., Harveys Iowa Management Company, Inc. and Harveys L. V. Management Company, Inc. (the Guarantors'), and IBJ Schroder Bank and Trust Company as Trustee (12)
- 10.1 Amended and Restated Loan Agreement, dated April 20, 1989, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Oregon, N.A., First Interstate Bank of Washington, N.A., First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)
- 10.2 Amended and Restated Promissory Note, dated April 20, 1989, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Oregon, N.A., First Interstate Bank of Washington, N.A., First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)
- 10.3 Rate Reduction Agreement, dated February 27, 1990, between First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Oregon, N.A., First Interstate Bank of Washington , N.A., First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. and the Registrant. (1)
- 10.4 First Amendment to Amended and Restated Loan Agreement, dated August 30, 1991, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)
- 10.5 Second Amended and Restated Promissory Note, dated August 30, 1991, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)
- 10.6 Second Amendment to Amended and Restated Loan Agreement and Amendment to A/R Note, dated March 30, 1992, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)

</TABLE>

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Number

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- 10.7 Letter Agreement, dated November 25, 1992, between the

- Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., National Bank of Detroit and First Interstate Bank of Utah, N.A. (1)
- 10.8 Third Amendment to Amended and Restated Loan Agreement, dated January 8, 1993, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., NBD Bank, N.A., and First Interstate Bank of Utah, N.A. (1)
- 10.9 Third Amended and Restated Promissory Note, dated January 15, 1993, between the Registrant and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., West One Bank, Idaho, N.A., NBD Bank, N.A., and First Interstate Bank of Utah, N.A. (1)
- 10.10 Fourth Amendment to Amended and Restated Loan Agreement (1)
- 10.11 Net Lease Agreement, dated February 28, 1985, between Park Cattle Co. and the Registrant (1)
- 10.12 Lease, dated July 9, 1973, between Park Cattle Co. and the Registrant (1)
- 10.13 Deed of Trust with Assignment of Rents and Security Agreement (Nevada Property), dated March 15, 1985, between the Registrant and Lawyers Title of Northern Nevada, as Trustee, and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, National Bank of Detroit, First Interstate Bank of Denver, N.A., First Interstate of Washington, N.A., and First Interstate Bank of Utah, N.A. (1)
- 10.14 First Amendment to Deed of Trust with Assignment of Rents and Security Agreement (Nevada Property), dated April 20, 1989, between the Registrant and Western Title Company, Inc., as Trustee, and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, National Bank of Detroit, First Interstate Bank of Denver, N.A., First Interstate Bank of Washington, N.A., First Interstate Bank of Utah, N.A., First Interstate Bank of Oregon, N.A., and West One Bank, Idaho, N.A. (1)
- 10.15 Deed of Trust and Assignment of Rents (California Property), dated March 15, 1985, between the Registrant and Lawyers Title Insurance Corporation, as Trustee, and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, National Bank of Detroit, First Interstate Bank of Denver, N.A., First Interstate Bank of Washington, N.A., and First Interstate Bank of Utah, N.A. (1)
- 10.16 First Amendment to Deed of Trust with Assignment of rents and Security Agreement (California Property), dated April 20, 1989, between the Registrant and Western Title Company, Inc., as Trustee, and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, National Bank of Detroit, First Interstate Bank of Denver, N.A., First Interstate of Washington, N.A., and First Interstate Bank of Utah, N.A., First Interstate Bank of Oregon, N.A., and West One Bank Idaho, N.A. (1)
- 10.17 Second Amendment to Deed of Trust with Assignment of Rents and Security Agreement (Nevada Property), dated January 12, 1993, between the Registrant and Western Title Company, Inc., as Trustee, and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., First Interstate Bank of Utah, N.A., West One Bank, Idaho, and NBD Bank, N.A. (1)
- 10.18 Second Amendment to Deed of Trust with Assignment of Rents and Security Agreement (California Property), dated January 12, 1993, between the Registrant and Western Title Company, Inc., as Trustee, and First

Interstate Bank of Nevada, N.A., First Interstate Bank of California, First Interstate Bank of Denver, N.A., First Interstate Bank of Utah, N.A., West One Bank, Idaho, and NBD Bank, N.A. (1)

- 10.19 Employment Agreement, dated November 1, 1993, between Richard F. Kudrna, Sr. and the Registrant (1)
- 10.20 Employment Agreement, dated November 30, 1993, between Thomas M. Yturbide and the Registrant (1)
- 10.21 Employment Agreement, dated November 30, 1993, between William B. Ledbetter and the Registrant (1)
- 10.22 Collective Bargaining Agreements between the Registrant and International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators (1)
- 10.23 Outside Directors Retirement Plan, Amended (1)
- 10.24 Director Emerita Resolution - Beverlee Ledbetter (1)
- 10.25 Supplemental Executive Retirement Plan (1)
- 10.26 Senior Supplemental Executive Retirement Plan (1)
- 10.27 Honorary Director Resolution - Vera Gross (1)
- 10.28 Stockholders Agreement among the Registrant, Lily Pond Investments, Inc. and Hard Rock Hotel, Inc. (1)
- 10.29 Management Agreement between the Registrant and Hard Rock Hotel, Inc. (1)
- 10.30 Definitive Agreement between Harveys C.C. Management Company and Mountain City Casino Partners (1)
- 10.31 Management Agreement between the Registrant and Harveys Wagon Wheel Casino Limited Liability Company (1)
- 10.32 Form of Assignment and Assumption Agreement between Mountain City Casino Partners, L.P. and Harveys Wagon Wheel Casino Limited Liability Company (1)
- 10.33 Loan Agreement between Harveys Wagon Wheel Casino Limited Liability Company and Mountain City Casino Partners, L.P. (1)
- 10.34 Employment Agreement, dated November 29, 1993, between Charles W. Scharer and the Registrant (1)
- 10.35 1993 Omnibus Incentive Plan (2)
- 10.36 1993 Non-Employee Directors Stock Option Program (2)
- 10.37 Form of Deferred Compensation Agreement and Schedule of 1994 Participants (2)
- 10.38 Form of Indemnification Agreement for Directors and Officers and Schedule of Indemnities (2)

</TABLE>

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Number	Description	Page
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10.39	Loan Agreement among Hard Rock Hotel, Inc., as borrower, the	

- Registrant, as guarantor, First Interstate Bank of Nevada, N.A., as agent, and the several lenders thereunder (2)
- 10.40 Promissory Note among Hard Rock Hotel, Inc., as borrower, the Registrant, as guarantor, First Interstate Bank of Nevada, N.A., as agent, and the several lenders thereunder (2)
- 10.41 Guaranty of Loan executed by the Registrant (2)
- 10.42 Amendment No. 1 to 1993 Non-Employee Directors Stock Option Program (2)
- 10.43 \$22,200,000 Construction Loan Agreement between Harveys Wagon Wheel Casino Limited Liability Company, as borrower, and the Registrant, as lender (3)
- 10.44 Secured Promissory Note between Harveys Wagon Wheel Casino Limited Liability Company, as maker, and the Registrant, as holder (3)
- 10.45 Deed of Trust, Security Agreement and Financing Agreement among Harveys Wagon Wheel Casino Limited Liability Company, as Grantor, the Public Trustee of the County of Gilpin, State of Colorado, as trustee, and the Registrant, as beneficiary (3)
- 10.46 Security Agreement between Harveys Wagon Wheel Casino Limited Liability Company, as obligor, and the Registrant, as lender (3)
- 10.47 Assignment of Rents, Income and Other Contract Rights between Harveys Wagon Wheel Casino Limited Liability Company, as borrower, and the Registrant, as lender (3)
- 10.48 Subordination Agreement among 150 Rodeo Partners, Inc., the Registrant, and Harveys Wagon Wheel Casino Limited Liability Company (3)
- 10.49 Fifth Amendment to Amended and Restated Loan Agreement, dated November 8, 1994, between the Registrant, and First Interstate Bank of Nevada, N.A., West One Bank, Idaho, Society Generale, The Daiwa Bank, Limited, United States National Bank of Oregon, U.S. Bank of Nevada and First Security Bank of Idaho, N.A. (4)
- 10.50 First Amendment to Construction Loan Agreement, dated November 1, 1994, between Harveys Wagon Wheel Casino Limited Liability Company and the Registrant (4)
- 10.51 Amended and Restated Secured Promissory Note, dated November 1, 1994, between Harveys Wagon Wheel Casino Limited Liability Company and the Registrant (4)
- 10.52 First Amendment to Deed of Trust, Security Agreement and Financing Statement, dated November 1, 1994, between Harveys Wagon Wheel Casino Limited Liability Company and the Registrant (4)
- 10.53 First Amendment to Security Agreement, dated November 1, 1994, between Harveys Wagon Wheel Casino Limited Liability Company and the Registrant (4)
- 10.54 First Amendment to Assignment of Rents, Income and Other Contract Rights, dated November 1, 1994, between Harveys Wagon Wheel Casino Limited Liability Company and the Registrant (4)
- 10.55 Amended and Restated Subordination Agreement, dated November 1, 1994, by and between 150 Rodeo Partners, Inc. and the Registrant and Harveys Wagon Wheel Casino Limited Liability Company (4)

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Exhibit Number	Description	Page
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10.56	First Amendment to Loan Agreement, dated November 8, 1994, by and among First Interstate Bank of Nevada, N.A., Societe Generale, NBD Bank, N.A., United States National Bank of Oregon, West One Bank, Idaho, First Security Bank of Idaho, N.A., The Daiwa Bank, Limited, and U.S. Bank of Nevada and First Interstate of Nevada, N.A., Hard Rock Hotel, Inc., and Harveys Wagon Wheel, Inc. (4)	
10.57	First Amendment to Guaranty of Loan, dated November 8, 1994, between the Registrant and First Interstate Bank of Nevada, N.A., Societe Generale, NBD Bank, N.A., United States National Bank of Oregon, West One Bank, Idaho, First Security Bank of Idaho, N.A., The Daiwa Bank, Limited, and U.S. Bank of Nevada (4)	
10.58	Employment Agreement dated November 17, 1993, by and between the Registrant and Bob Hall (4)	
10.59	Employment Agreement dated January 13, 1994, by and between the Registrant and Stephen L. Cavallaro (4)	
10.60	Excursion Boat Sponsorship and Operations Agreement, dated August 22, 1994, by and between Iowa West Racing Association and Harveys Iowa Management Company, Inc. (4)	
10.61	Purchase Agreement, dated September 12, 1994, by and between the City of Council Bluffs and Harveys Iowa Management Co. (4)	
10.62	Commitment Letter, dated January 18, 1995, between the Registrant and First Interstate Bank of Nevada, N.A. (4)	
10.63	Form of Deferred Compensation Agreement and Schedule of 1995 Participants (5)	
10.64	Long-term Incentive Plan Guidelines (1994-1996 Performance Period) (5)	
10.65	Short-term Incentive Plan (5)	
10.66	Employment Agreement dated May 9, 1995 by and between the Registrant and Gary Armentrout. (6)	
10.67	Loan Purchase Agreement (with Full Recourse to Seller) dated March 10, 1995 by and between the Registrant ("Sellers") and First Interstate Bank of Nevada, N.A. ("Buyer") (6)	
10.68	Option Agreement dated March 10, 1995 by and between First Interstate Bank of Nevada, N.A. and the Registrant. (6)	
10.69	Employment Agreement dated August 5, 1995, by and between the Registrant and Gary R. Selesner. (7)	
10.70	Employment Agreement dated August 14, 1995, by and between the Registrant and John McLaughlin. (7)	
10.71	Employment Agreement dated August 14, 1995, by and between the Registrant and Kevin Servatius. (7)	
10.72	Employment Agreement dated August 24, 1995, by and between the Registrant and Edward B. Barraco. (7)	
10.73	Employment Agreement dated August 21, 1995, by and between the Registrant and David J. Hurst. (7)	

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Number	Description	Page
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10.74	Employment Agreement dated August 21, 1995, by and between the Registrant and Lou R. Kelmanson. (7)	
10.75	Reducing Revolving Credit Agreement, dated as of August 14, 1995, by and among the Registrant and Harveys C.C. Management Company, Inc., Harveys Iowa Management Company, Inc., (the "Borrowers") and First Interstate Bank of Nevada, N.A., First Interstate Bank of California, Bank of the West, First Security Bank of Idaho, N.A., Imperial Bank, Norwest Bank of Nebraska, N.A., NBD Bank, Societe Generale, The Daiwa Bank, Limited, U.S. Bank of Nevada, West One Bank, Idaho and Argentbank, (the 'Lenders')	
10.76	Second Amendment to Loan Agreement, dated November 7, 1995, by and among First Interstate Bank of Nevada, N. A. ,Societe Generale, NBD Bank, N. A., United States National Bank of Oregon, West One Bank, Idaho, First Security Bank of Idaho, N. A., The Daiwa Bank, Limited, U. S. Bank of Nevada, Hard Rock Hotel, Inc. and Harveys Casino Resorts. (8)	
10.77	Second Amended and Restated Reducing Revolving Credit Promissory Note, dated November 7, 1995 between First Interstate Bank of Nevada, N. A. as Agent Bank and Hard Rock Hotel, Inc. (8)	
10.78	Second Amendment to Guaranty of Loan, dated November 7, 1995, between Harveys Casino Resorts and First Interstate Bank of Nevada, N. A., Societe Generale, NBD Bank, N. A., United State National Bank of Oregon, West One Bank, Idaho, First Security Bank of Idaho, N. A., The Daiwa Bank, Limited and U. S. Bank of Nevada. (8)	
10.79	Employment Agreement, dated October 22, 1995 and effective December 1, 1995 by and between Harveys Casino Resorts and Thomas M. Yturbide. (8)	
10.80	Employment Agreement, dated October 22, 1996 and effective December 1, 1995 by and between Harveys Casino Resorts and Charles W. Scharer. (8)	
10.81	Modification of Employment Agreement, dated November 21, 1995 by and between Harveys Casino Resorts and Richard F. Kudrna, Sr. (8)	
10.82	Harveys Casino Resorts Management Incentive Plan, approved August 8, 1995. (8)	
10.83	Long-term Incentive Plan Guidelines (1995-1997 Performance Period) (8)	
10.84	1996 Omnibus Incentive Plan (10)	
10.85	First Amendment, dated as of May 15, 1996, to Reducing Revolving Credit Agreement by and among the Registrant, Harveys C. C. Management Company, Inc., Harveys Wagon Wheel Casino Limited Liability Company and Harveys Iowa Management Company, Inc. (the Borrowers'), Wells Fargo Bank, N. A., Bank of the West, First Security Bank of Idaho, N. A., Imperial Bank, Norwest Bank of Nebraska, N. A., NBD Bank, Societe Generale, The Sumitomo Bank Limited, Chicago Branch, U. S. Bank of Nevada, West One Bank, Idaho and Argentbank (the Lenders') (11)	

10.86 Second Amendment, dated as of May 23, 1996, to Reducing Revolving Credit Agreement by and among the Registrant, Harveys C. C. Management Company, Inc., Harveys Wagon Wheel Casino Limited Liability Company and Harveys Iowa Management Company, Inc. (the Borrowers'), Wells Fargo Bank, N. A., Bank of the West, First Security Bank of Idaho, N. A., Imperial Bank, Norwest Bank of Nebraska, N. A., NBD Bank, Societe Generale, The Sumitomo Bank Limited, Chicago Branch, U. S. Bank of Nevada, West One Bank, Idaho and Argentbank (the Lenders') (11)

21.1 List of Subsidiaries of the Registrant (7)

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27 Financial Data Schedule (11)

(1) Incorporated herein by reference to Registration Statement No. 33-70670.

(2) Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended February 28, 1994.

(3) Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended May 31, 1994.

(4) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the period ended November 30, 1994.

(5) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the period ended February 28, 1995.

(6) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the period ended May 31, 1995.

(7) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the period ended August 31 1995.

(8) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the period ended November 30, 1995

(9) Incorporated herein by reference to Registration Statement No. 333-616

(10) Incorporated herein by reference to Registration Statement No. 333-3576

(11) Filed herewith

(12) Incorporated herein by reference to Registrant's Current Report on Form 8-K filed June 14, 1996

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SIXTH AMENDED BYLAWS
OF
HARVEYS CASINO RESORTS

April 25, 1996

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SIXTH AMENDED BYLAWS

OF

HARVEYS CASINO RESORTS

ARTICLE I - NAME AND OFFICE

SECTION 1 - NAME:

The name of the Corporation shall be Harveys Casino Resorts.

SECTION 2 - PRINCIPAL OFFICE:

The principal office of the Corporation shall be located in Douglas County, Nevada.

The Corporation may also maintain offices at such other places within or without the United States as the Board of Directors may, from time to time, determine.

ARTICLE II - SHAREHOLDERS

SECTION 1 - ANNUAL MEETINGS:

The annual meeting of the Shareholders of the Corporation shall be held on a date and at a time selected by the Board of Directors and at such place as is designated by the Board of Directors each year, for the purpose of appointing the Outside Auditors for the ensuing fiscal year, electing Directors of the Corporation to serve during the ensuing year and for the transaction of such other business as may be brought before the meeting.

SECTION 2 - NOTICE OF ANNUAL MEETINGS:

At least ten (10) days written notice specifying the day and hour and place, when and where the annual meeting shall be convened, shall be mailed in a United States Post Office, addressed to each of the Shareholders of record at the time of issuing the notice, at his or her or its address last known, as the same appears on the books of the Corporation.

If the current address of any Shareholder does not appear upon the books of the Corporation, it will be sufficient to address any notice to such Shareholder at the last address furnished the Corporation by such Shareholder.

Nevertheless, a failure to give such notice, or any irregularity in such notice, shall not affect the validity of annual meetings or any proceedings had at such meeting, and in such event these Bylaws shall be, and shall be deemed to be, sufficient notice of such meeting without requirement of further notice.

SECTION 3 - SPECIAL MEETINGS:

Special meetings of the Shareholders may be held at the office of the Corporation in the State of Nevada, or elsewhere, whenever called by the Chairperson of the Board of Directors, or by a majority of the Board of Directors, or by vote of, or by an instrument in writing signed by the holders of at least fifty-one percent (51%) of the issued and outstanding capital stock of the Corporation.

SECTION 4 - NOTICE OF SPECIAL MEETINGS:

At least ten (10) days written notice of such meeting, specifying the day and hour and place, when and where such meeting shall be convened, and the objects for calling the same, shall be mailed in the United States Post Office, addressed to each of the Shareholders of record at the time of issuing the notice, at his or her or its address last known, as the same appears on the

books of the Corporation.

If the address of any Shareholders do not appear upon the books of the Corporation, it will be sufficient to address any notice to such Shareholder at the last address furnished the Corporation by such Shareholder.

The written certificate of the officer or officers calling any special meeting setting forth the substance of the notice, and the time and place of the mailing of same to the several Shareholders, and the respective addresses to which the same were to be mailed, shall be prima facie evidence of the manner and fact of the calling and giving such notice.

SECTION 5 - WAIVER OF NOTICE:

If all the Shareholders of the Corporation shall waive notice of special meetings, no notice of such meeting shall be required, and whenever all the Shareholders shall meet in person or by proxy such meeting shall be valid for all purposes without call or notice and at such meeting any corporate action may be taken.

SECTION 6 - QUORUM:

At all Shareholders' meetings, the holders of fifty-one percent (51%) in amount of the entire issued and outstanding capital stock of the Corporation shall constitute a quorum for all the purposes of such meetings.

If the holders of the amount of stock necessary to constitute a quorum shall fail to attend, in person or by proxy, a majority in interest of the Shareholders present in person or by proxy may adjourn from time to time without notice other than by announcement at the meeting, until holders of the amount of stock requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted as originally called.

SECTION 7 - VOTING:

At each meeting of the Shareholders, every Shareholder shall be entitled to vote in person or by his duly authorized proxy appointed by instrument in writing subscribed by such Shareholder. Each Shareholder shall have one (1) vote for each share of stock standing registered in his or her or its name on the books of the Corporation, ten (10) days preceding the day of such meeting. The votes for Directors, and upon demand by any Shareholder, the votes upon any question before the meeting, shall be by roll call vote.

At each meeting of the Shareholders, a full, true and complete list, in alphabetical order, of all the Shareholders as of a record date determined by the Board of Directors entitled to vote at such meeting, and indicating the

number of shares held by each, certified by the Secretary of the Corporation, shall be furnished, and shall be open to the inspection of the Shareholders, or their agents or proxies, at the place where such meeting is to be held. Only the persons in whose names shares of stock are registered on the record date with respect to any meeting, as evidenced by the list of Shareholders furnished at any such meeting, shall be entitled to vote at such meeting. Proxies must be approved by all Gaming Regulatory Authorities and filed with the Secretary of the Corporation before an election or a meeting of the Shareholders, or they cannot be used at such election or meeting.

SECTION 8 - ORDER OF BUSINESS:

At the Shareholders' meetings, the regular order of business shall be as follows:

1. Call to order;
2. Reading and approval of the Minutes of previous meeting or meetings;
3. Reports of yearly activity to Shareholders, by the Board of Directors;
4. Review of the Outside Auditors' Report;
5. Election of the Board of Directors;
6. Appointment of Outside Auditors;
7. Old business;
8. New business;
9. Adjournment.

SECTION 9 - CONDUCT OF ELECTION:

At each meeting of the Shareholders, the polls shall be opened and closed; the proxies and ballots issued, received, and be taken in charge of, for the purpose of the meeting; and all questions touching the qualifications of voters and the validity of proxies, and the acceptance or rejection of votes, shall be decided by two (2) inspectors. Such inspectors shall be appointed at the meeting by the Chairperson of the meeting.

ARTICLE III - BOARD OF DIRECTORS

SECTION 1 - NUMBER:

The number of Directors which shall constitute the whole Board shall be nine (9) all of whom shall be twenty-one (21) years of age or older and at least one (1) of whom shall be a citizen of the United States. The number of Directors may

from time to time be decreased to not less than three (3) or increased by amending this section of the Bylaws. The Directors shall be elected at the annual meeting of the Shareholders and except as provided in Section 2 of this Article, each Director elected shall hold office until his successor is elected and qualified. Directors must be Shareholders.

SECTION 2 - CLASSIFICATION AND ELECTIONS.

The directors shall be classified with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible as the then total number of directors constituting the entire board permits, pursuant to the provisions of the corporation's Articles of Incorporation and Section 1 hereof. At each annual meeting of the Shareholders the successors to the class of directors whose term expires at that meeting shall be elected, by a plurality of the votes cast, to hold office for a term expiring at the annual meeting of Shareholders held in the third year following the year of their election and until their successors have been duly elected and qualified. Pursuant to Article III, Section 20 hereof, the Board of Directors shall establish a Nominations and Compensation Committee. It shall be the duty of the Nominations and Compensation Committee to recommend a slate of directors to fill the offices of the class of directors whose term expires at the then current annual meeting. Nothing herein shall be construed to limit the ability of the Board of Directors to impose such greater or lesser duties on the Nominations and Compensation Committee, including elimination of said committee, as the Board of Directors may, from time to time, determine. Any director may resign at any time upon notice to the corporation.

SECTION 3 - INITIAL CLASSIFICATION OF BOARD OF DIRECTORS:

The nine (9) members of the current board of directors shall be classified as follows:

(a) The first class shall hold office for a term expiring at the 1994 annual meeting of Shareholders and shall consist of Thomas M. Yturbide, Robert L. Weise, and Luther Mack.

(b) The second class shall hold office for a term expiring at the 1995 annual meeting of Shareholders and shall consist of the following three (3) directors; Franklin K. Rahbeck, Richard F. Kudrna, Sr., and Jessica L. Ledbetter.

(c) The third class shall hold office for a term expiring at the 1996 annual meeting of Shareholders and shall consist of the following three (3) directors: William B. Ledbetter, Kirk B. Ledbetter, and Donald D. Snyder.

Each successor to any of the foregoing directors shall be classified within his predecessor's class of directors.

SECTION 4 - DUTIES AND POWERS:

The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except as are in the Certificate of Incorporation or by statute expressly conferred upon or reserved to the Shareholders.

The Chairperson of the Board of Directors shall make a report to the Shareholders at annual meetings of the Shareholders of the condition of the Corporation, and shall, on request, furnish each of the Shareholders with a true copy thereof.

The Board of Directors, in its discretion, may submit any contract or act for approval or ratification at any annual meeting of the Shareholders called for the purpose of considering any such contract or act, which, if approved, orratified by the vote of the holders of a majority of the capital stock of the Corporation represented in person or by proxy at such meeting, provided that a lawful quorum of Shareholders is represented in person or by proxy, shall be valid and binding upon the Corporation and upon all the Shareholders thereof, as if it has been approved or ratified by every Shareholder of the Corporation.

SECTION 5 - PLACE OF MEETINGS:

Meetings of the Directors may be held at the principal office of the Corporation in the State of Nevada, or elsewhere, at such place or places as the Board of Directors may, from time to time, determine.

SECTION 6 - ANNUAL MEETING OF DIRECTORS; NOTICE:

Immediately following each annual meeting of Shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meeting is hereby dispensed with.

SECTION 7 - REGULAR MEETINGS OF DIRECTORS; NOTICE:

The time for other regular meetings of the Board of Directors,when held, shall be 8:30 a.m. on the fourth Thursday(BDM October, 1995, changed from second Tuesday') of each month. If any regular meeting date shall fall on a legal holiday, then the regular meeting date shall be the business day next following. The time for the next regularly scheduled meeting of the Board of Directors may be changed by a majority vote of the Directors at any preceding meeting of the Directors.

No notice shall be required to be given of any regular meeting of the Board of Directors, but each Director shall take notice thereof.

SECTION 8 - SPECIAL MEETINGS OF DIRECTORS; NOTICE:

A special meeting of the Board of Directors shall be held whenever called by the Chairperson or by three (3) Directors. Any and all business may be

transacted at a special meeting. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary of the Corporation, and shall state the time and place of such meeting.

Notice of each special meeting of the Board of Directors shall be given to each of the Directors by mailing to each of them a copy of such notice at least seven (7) days prior to (BDM October, 1995, changed from second Tuesday') the time fixed for such meeting to the address of such Director as shown on the books of the Corporation. If a Director's address does not appear on the books of the Corporation, then such notice shall be addressed to said Director at Harveys Resort Hotel/Casino, Post Office Box 128, Stateline, Nevada, 89449.

SECTION 9 - WAIVER OF NOTICE:

When all the Directors of the Corporation are present at any meeting of the Board of Directors, however called or noticed, and consent thereto is indicated on the record of such meeting, or if the majority of the Directors are present, and if those not present sign a written waiver of notice of such meeting, whether prior to or after the holding of such meeting, and said written waiver is filed with the Secretary of the Corporation, the transactions of such meeting are as valid as if had at a meeting regularly called and noticed.

SECTION 10 - QUORUM AND ADJOURNMENTS:

A majority of the Board of Directors in office shall constitute a quorum for the transaction of business; but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn from time to time, until a quorum shall be present, and no notice of such adjournment shall be required. The Board of Directors may prescribe rules not in conflict with these Bylaws for the conduct of its business.

SECTION 11 - ORDER OF BUSINESS:

The regular order of business at meetings of the Board of Directors shall be as follows:

1. Roll call.
2. Approval of agenda.
3. Disclosure of any Directors' potential conflicts of interest.
4. Approval of the Minutes of the prior Director's meeting and action on any recommendations of any standing committee.
5. Report by the Chief Financial Officer on financial condition of the Corporation and financial operating results since the last meeting.

6. Report by the President and CEO on operating results since the last meeting.
7. General counsel report.
8. Selected committee reports and ratification of committee actions and approval of minutes of committee meetings.
9. Other items requiring Board action.
10. Reports by selected members of management as requested by the Chairperson of the Board.
11. Special report(s) requested by any Director.
12. Old business.
13. New business.
14. Open discussion.
15. Adjournment.

SECTION 12 - ACTION BY UNANIMOUS WRITTEN CONSENT OF DIRECTORS:

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if members of the Board shall individually or collectively consent in writing to such action, and such consents are filed with the Minutes of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Any certificate or other document which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that these Bylaws authorize the Directors to so act.

SECTION 13 - MANNER OF ACTING:

At all meetings of the Board of Directors, each Director present shall have one (1) vote. Except as otherwise provided by statute or by these Bylaws, the action of a majority of the Directors present at any meeting at which a quorum is present shall be the action of the Board of Directors.

SECTION 14 - TELEPHONIC MEETINGS:

Nothing herein contained shall prevent or render void any action taken by the Board of Directors through the use of telephones, telegraphs, computers, word processing machines or other electronic devices so long as such action is otherwise consistent with these Bylaws.

SECTION 15 - VACANCIES:

When any vacancy occurs among the Directors by death, resignation, disqualification or other cause, the remaining Directors, by the affirmative vote of a majority thereof, shall elect a successor to hold office for the unexpired portion of the term of the Director whose place shall have become vacant and until his/her successor shall have been elected and qualified.

SECTION 16 - RESIGNATION:

Any Director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 17 - REMOVAL:

Any Director may be removed with or without cause at any time by the affirmative vote of Shareholders holding of record in the aggregate at least a supermajority of the outstanding shares of the Corporation at a special meeting of the Shareholders called for that purpose. For purposes of this provisions, a 'supermajority' of Shareholders is defined as two-thirds (2/3) of the outstanding shares entitled to vote.

SECTION 18 - CONTRACTS:

No contract or other transaction between this Corporation and any other Corporation shall be impaired, affected or invalidated, nor shall any Director be liable in any way by reason of the fact that any one or more of the Directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other Corporation provided that such facts are disclosed or made known to the Board of Directors prior to the execution of said contract or conclusion of said transaction.

Any Director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no Director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such Director) of a majority of a quorum, notwithstanding the presence of any such Director at the meeting at which such action is taken. The presence of such Director or Directors should be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

No agreement, contract, franchise, lease or obligation (other than checks in payment of indebtedness incurred by authority of the Board of Directors) involving the payment of monies or the credit of the Corporation in excess of that level established by the Board of Directors, shall be made without the authority of the Board of Directors duly constituted and acting as such.

Unless otherwise ordered by the Board of Directors, all agreements and contracts shall be signed by the Chief Executive Officer, the Secretary, or the Chairperson of the Board of Directors in the name and on behalf of the Corporation, and if required, shall have the corporate seal thereto attached.

No note, draft, acceptance, endorsement or other evidence of indebtedness shall be valid as or against the Corporation unless the same shall be signed by the Chief Executive Officer and attested by the Secretary or an Assistant Secretary, or signed by the Treasurer or an Assistant Treasurer, and countersigned by the Chief Executive Officer, or Secretary, or by the Chairperson of the Board of Directors and attested by the Secretary or Assistant Secretary except that the Treasurer or an Assistant Treasurer may, without countersignature, sign payroll checks and make endorsements for deposit to the credit of the Corporation in all its duly authorized depositories. No check or order for money shall be signed in blank by more than one officer of the Corporation.

No loan or advance of money shall be made by the Corporation to any Shareholder, Director or Officer therein, unless the Board of Directors shall specifically authorize.

SECTION 19 - ENCUMBERING OR CONVEYING CORPORATE PROPERTY:

The Directors shall have the power to authorize and cause to be executed, mortgages and liens without limit as to amount upon the property and franchise of this Corporation, and pursuant to the affirmative vote, either in person or by proxy, of the holders of a majority of the capital stock issued and outstanding, the Directors shall have authority to dispose in any manner of the whole property of this Corporation.

SECTION 20 - COMMITTEES:

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one (1) or more standing committees of the Board of Directors, including, but not limited to (i) Compensation, (ii) Audit. Each committee shall consist of a Chairperson and other members.

The committees shall keep regular Minutes of their proceedings and report the same to the Board of Directors. All actions of the committees shall nevertheless require Board of Directors' action at the next succeeding meeting of the full Board of Directors unless specifically provided for to the contrary.

The Chairperson of the Board of Directors may also appoint ad hoc committees and

members thereof from time to time.

SECTION 21 - DELEGATION OF AUTHORITY:

The Board of Directors shall delegate, to the extent that it considers necessary, any portion of its authority to manage, control and conduct the current business of the company, to any standing or special committee of the Corporation or to any officer or agent thereof. Notwithstanding any delegation of authority that the Board may make hereunder, it shall exercise general supervision over the officers and agent of the Corporation and shall be responsible to the Shareholders for the proper performance of their respective duties.

SECTION 22 - SALARIES:

The Directors may be paid their expenses of attendance of each meeting of the Board of Directors and at any standing committee meeting of the Board of Directors. Directors who are not otherwise employed by the Company shall be paid a fixed sum for attendance at each meeting of the Board of Directors and

each standing committee of the Board of Directors together with a stated retainer as Director. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore. Compensation shall not be paid to members of ad hoc committees.

ARTICLE IV - OFFICERS

SECTION 1 - TITLES:

The Officers of the Corporation shall consist of a Chief Executive Officer/President (C.E.O.), a Secretary, a Treasurer, and such other Officers, including a Chairperson of the Board of Directors, and one or more Vice Presidents, as the Board of Directors may from time to time deem advisable. Any Officer other than the Chairperson or Vice Chairperson of the Board of Directors may be, but is not required to be, a Director of the Corporation. Any two (2) or more offices may be held by the same person.

SECTION 2 - ELECTION:

The Board of Directors at its first meeting after the annual meeting of Shareholders, shall elect a Chairperson of the Board, Chief Executive Officer/President, a Secretary, and a Treasurer.

SECTION 3 - APPOINTMENT OF OFFICERS:

The Board of Directors may from time to time, by resolution, appoint Vice Presidents, Assistant Secretaries, Assistant Treasurers and the Transfer Agent of the Corporation as it may deem advisable; prescribe their duties and fix their compensation, if any, and all such appointed officers shall be subject to

removal at anytime by the Board of Directors. All such appointed officers, agents and factors of the Corporation shall be chosen and appointed in such manner and shall hold their offices for such terms as the Board of Directors may by resolution prescribe.

SECTION 4 - TERM OF OFFICE:

Each Officer shall hold office until the annual meeting of the Board of Directors next succeeding his election, and until his successor shall have been elected and qualified, or until his death, resignation or removal.

SECTION 5 - RESIGNATION:

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6 - REMOVAL:

Any officer may be removed, either with or without cause, and a successor elected by a majority vote of the Board of Directors at any time.

SECTION 7 - VACANCIES:

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

SECTION 8 - DUTIES OF OFFICERS:

Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may be set forth in these Bylaws, or may from time to time be specifically conferred or imposed by the Board of Directors.

SECTION 9 - THE CHAIRPERSON:

The Chairperson shall be responsible for scheduling all Board of Directors meetings, annual Shareholder meetings, Board of Directors retreats and other activities pertaining to the Board of Directors. He/she shall chair all Board Meetings and shall also insure that meeting agendas cover all matters of importance to the Board and be responsible for making all arrangements for

meetings, to include proper notice as provided for herein. The Chairperson shall also insure that the agenda of meetings is followed and be responsible for communication between the Board of Directors and management, during the period between meetings of the Board. Additionally, the Chairperson shall act as an advisor to the Board interpreting those items requiring clarification. The Chairperson may attend such committee meetings in addition to monitoring the performance of the Board of Directors as a collective body and as individual members and shall further be responsible for strategic and financial planning and shall otherwise insure the setting and maintaining of policies and procedures adopted by the Board of Directors.

SECTION 10 - THE CHIEF EXECUTIVE OFFICER/PRESIDENT:

The Chief Executive officer/President of the Corporation shall have the supervision over and, subject to the control of the Board of Directors, the direction of the Corporation's affairs, with full power to execute all resolutions and orders of the Board of Directors not especially entrusted to some other officer of the Corporation. He shall sign the Certificates of Stock issued by the Corporation and shall perform such other duties as shall be prescribed by the Board of Directors.

Unless otherwise ordered by the Board of Directors, the Chief Executive Officer/President shall have full power and authority in behalf of the Corporation, to attend and to act and to vote at any meetings of the Shareholders of any corporation in which the Corporation may hold stock, and at any such meetings, shall possess and may exercise any and all rights and powers incident to the ownership of such stock, and which as the new owner thereof, the Corporation might have possessed and exercised if present. The Board of Directors may, by resolution, from time to time, confer like powers on any person or persons in place of the Chief Executive Officer/President to represent the Corporation for the purposes in this Section mentioned.

SECTION 11 - THE TREASURER:

The Treasurer shall have the custody of all the funds and securities of the Corporation. When necessary or proper, he shall endorse on behalf of the Corporation for collection, checks, notes, and other obligations; he shall deposit all monies to the credit of the Corporation in such bank or banks or other depository as the Board of Directors may designate; he shall sign all receipts and vouchers for payments made by the Corporation except as herein otherwise provided; he shall jointly with such other officer as shall be designated by those Bylaws, sign all checks made by the Corporation, and shall pay out and dispose of the same under the direction of the Board of Directors.

He shall sign with the President all bills of exchange and promissory notes of the Corporation; he shall also have the care and custody of the stocks, bonds, certificates, vouchers, evidences of debt securities, and such other property

belonging to the Corporation as the Board of Directors shall designate; he shall sign all papers required by law or these Bylaws or the Board of Directors to be signed by the Treasurer. Whenever required by the Board of Directors, he shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors.

The Treasurer shall, if required by the Board of Directors, give bond to the Corporation conditioned for the faithful performance of all his duties as Treasurer in such sum, and with such security as shall be approved by the Board of Directors, and the expense of such bond to be borne by the Corporation.

SECTION 12 - THE SECRETARY:

The Secretary shall cause to be kept the Minutes of all meetings of the Board of Directors and the Minutes of all meetings of the Shareholders and of the Executive Committee in books provided for that purpose. The Secretary shall attend to the giving and serving of all notices of the Corporation; he/she may sign with the Chief Executive Officer/President or a Vice President, in the name of the Corporation, all contracts authorized by the Board of Directors or Executive Committee; the Secretary shall affix the corporate seal of the Corporation to any documents when so authorized by the Board of Directors or Executive Committee; he/she shall affix the corporate seal to all certificates of stock duly issued by the Corporation; he/she shall have charge of the Stock Certificate Books, Transfer Books and Stock Ledgers, and such other books and papers as the Board of Directors or the Executive Committee may direct, all of which shall at all reasonable times be open to the examination of any Director(s) upon application at the office of the Corporation during business hours, and he/she shall, in general, perform all the duties incident to the office of the Secretary.

SECTION 13 - THE VICE-CHAIRPERSON:

The Vice-Chairperson shall assist the Chairperson in the performance of all of his or her duties and shall conduct meetings in the absence of the Chairperson and shall perform such other duties as shall be prescribed by the Board of Directors.

SECTION 14 - APPOINTMENT OF ASSISTANTS TO OFFICERS:

The Board of Directors shall have the power, in its discretion, to appoint any qualified person to act as Assistant to any officer of the Corporation. Such Assistant shall perform such duties as the Board shall prescribe, including the performance of the duties of the Chief Executive Officer/President when the incumbent is unable to act or it is impractical for him to act personally, subject to any restrictions on such authority as may be imposed by the Board. The acts of such assistant officer, within the scope of his authority as delineated by the Board, shall be the acts of the Corporation to the same extent as if done by the Chief Executive Officer/President.

ARTICLE V - SHARES OF STOCK

SECTION 1 - CERTIFICATES OF STOCK:

Ownership of stock in the Corporation shall be evidenced by certificates of stock in such forms as shall be prescribed by the Board of Directors, and shall be under the seal of the Corporation and signed by the Chief Executive Officer/President and also by the Secretary or by an Assistant Secretary. In lieu of signatures by the corporate officers, certificates for shares may be authenticated by facsimiles of the signatures of the President and Secretary or by a facsimile of the signature of the President and the written signature of the Secretary or Assistant Secretary.

All certificates shall be consecutively numbered; the name of the person owning the shares represented thereby with the number of such shares and the date of issue shall be entered on the Corporation's books.

To be effective, every certificate for shares authenticated by a facsimile of a signature must be (1) countersigned by the transfer agent or transfer clerk of the Corporation and registered by an incorporated bank or trust company, either domestic or foreign, as registrar of transfers, or (2) countersigned by a facsimile of the signature of the transfer agent or transfer clerk of the Corporation and registered by written signature by an incorporated bank or trust company, either domestic or foreign, as registrar of transfers.

The validity of any certificate for shares, otherwise valid, shall not be affected in the event that the delivery of such certificate occurs after the officers or agents whose signatures appear on the certificate by facsimile, or any of them, are no longer serving as officers or agents by reason of death or for any other cause.

SECTION 2 - ISSUANCE:

The capital stock of the Corporation shall be issued in such manner and at such times and upon such conditions as shall be prescribed by the Board of Directors.

SECTION 3 - LOST OR DESTROYED CERTIFICATES:

Any person or persons applying for a certificate of stock in lieu of one alleged to have been lost or destroyed, shall make affidavit or affirmation of the fact, and shall deposit with the Corporation an affidavit. Whereupon, at the end of six (6) months after the deposit of said affidavit and upon such person or persons giving Bond of Indemnity to the Corporation with surety to be approved by the Board of Directors in an amount equal to double the current value of the stock against any damage, loss, or inconvenience to the Corporation, which may or can arise in consequence of a new or duplicate certificate being issued in lieu of the one lost or missing, the Board of Directors may cause to be issued to such person or persons a new certificate, or a duplicate of the certificate so lost or destroyed. The Board of Directors may, in its

discretion, refuse to issue such new or duplicate certificate save upon the order of some court having jurisdiction in such matter, anything herein to the contrary notwithstanding.

SECTION 4 - TRANSFER OF SHARES:

No transfer of stock shall be valid as against the Corporation except on surrender and cancellation of the original certificate therefor, accompanied by an assignment or transfer duly executed by the owner therefor, and a new certificate shall be issued therefore.

Whenever any transfer shall be expressed as made for collateral security and not absolutely, the same shall be so expressed in the entry of said transfer on the books of the Corporation.

SECTION 5 - RECORD DATE:

In lieu of closing the share records of the Corporation, the Board of Directors may fix, in advance, a date not exceeding sixty (60) (BDM April 25, 1996, increased from 50 to 60) days, nor less than ten (10) days, as the record date for the determination of Shareholders entitled to receive notice of, or to vote at, any meeting of Shareholders, or to consent to any proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of any dividends, or allotment of any rights, or for the purpose of any other action. If no record date is fixed, the record date for the determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held; the record date for determining Shareholders for any other purpose shall be at the close of business on the day on which the resolution of the Directors relating thereto is adopted. When a determination of Shareholders of record entitled to notice of or to vote at any meeting of Shareholders has been made as provided for herein, such determination shall apply to any adjournment thereof, unless the Directors fix a new record date for the adjourned meeting.

ARTICLE VI - DIVIDENDS

The Board of Directors shall have power to reserve over and above the capital stock paid in, such an amount in its discretion as it may deem advisable to fix as a reserve fund, and may, from time to time, declare dividends from the accumulated profits of the Corporation in excess of the amounts so reserved, and pay the same to the Shareholders of the Corporation, and may also, if it deems the same advisable, declare stock dividends of the unissued capital stock of the Corporation.

ARTICLE VII - AMENDMENTS

SECTION 1 - BY SHAREHOLDERS:

Amendments and changes of these Bylaws may be made by a vote of, or a consent in writing signed individually or collectively by the holders of fifty-one percent (51%) of the issued and outstanding capital stock.

SECTION 2 - BY DIRECTORS:

Amendments and changes of these Bylaws may be made at any regular or special meeting of the Board of Directors by a vote of not less than all of the entire Board, or may be made by a consent in writing signed individually or collectively by not less than all of the entire Board.

ARTICLE VIII - CORPORATE SEAL

The Corporation shall have a corporate seal, the design thereof being as follows:

ARTICLE IX - INDEMNIFICATION

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the General Corporation Law of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of Shareholders, provision of law or otherwise, as well as their rights under this Article. The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

The indemnification provisions above provided shall include, but not be limited to, reimbursement of all fees, including amounts paid in settlement and attorneys' fees actually and reasonably incurred, in connection with the defense or settlement of any action or suit if such party to be indemnified

acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation. Indemnification may not be made for any claim, issue or matter as to which the person claiming indemnity has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom to be liable to the Corporation or for amounts paid in settlement to the Corporation unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

ARTICLE X - GENERAL PROVISIONS

SECTION 1 - DEPOSITORIES:

All monies of the Corporation shall be deposited when as received by the Treasurer in such bank or banks or other depository as may from time to time be designated by the Board of Directors, and such deposits shall be made in the name of the Corporation.

SECTION 2 - OTHER SECURITIES:

The Corporation may take, acquire, hold, mortgage, sell, or otherwise deal in stocks or bonds or securities of any other corporation if, and as often, as the Board of Directors shall direct.

FIRST AMENDMENT TO
REDUCING REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO REDUCING REVOLVING CREDIT AGREEMENT ('First Amendment to Credit Agreement') is made and entered into as of the 15th day of May, 1996, by and among HARVEYS CASINO RESORTS, a Nevada corporation ('HCR'), HARVEYS C.C. MANAGEMENT COMPANY, INC., a Nevada corporation ('HCCMC'), as of the Equity Exchange Effective Date, as hereafter defined, HARVEYS WAGON WHEEL CASINO LIMITED LIABILITY COMPANY ('HWLLC') and HARVEYS IOWA MANAGEMENT COMPANY, INC., a Nevada corporation ('HIMC' and together with HCR and HCCMC and HWLLC collectively the 'Borrowers'), FIRST INTERSTATE BANK OF NEVADA, N.A., WELLS FARGO BANK, N.A., successor by merger with FIRST INTERSTATE BANK OF CALIFORNIA, BANK OF THE WEST, FIRST SECURITY BANK OF IDAHO, N.A., IMPERIAL BANK, NORWEST BANK OF NEBRASKA, N.A., NBD BANK, SOCIETE GENERALE, THE SUMITOMO BANK, LIMITED, Chicago Branch, U.S. BANK OF NEVADA, WEST ONE BANK, IDAHO and ARGENTBANK (herein together with their respective successors and assigns collectively the 'Lenders'), FIRST INTERSTATE BANK OF NEVADA, N.A., as the swingline lender (herein in such capacity, together with its successors and assigns, the ('Swingline Lender'), FIRST INTERSTATE BANK OF NEVADA, N.A., as the issuer of letters of credit hereunder (herein in such capacity, together with its successors and assigns, the 'L/C Issuer') and FIRST INTERSTATE BANK OF NEVADA, N.A., as administrative and collateral agent for the Lenders, Swingline Lender and L/C Issuer (herein, in such capacity, called the 'Agent Bank' and, together with the Lenders, Swingline Lender and L/C Issuer, collectively referred to as the 'Banks').

R _ E _ C _ I _ T _ A _ L _ S :

WHEREAS:

A. HCR, HCCMC, HIMC and Banks (The Sumitomo Bank, Limited, Chicago Branch, having acquired the interest of The Daiwa Bank, Limited by Assignment, Assumption and Consent Agreement dated as of February 2, 1996) entered into a Reducing Revolving Credit Agreement dated as of August 14, 1995 (the 'Original Credit Agreement').

B. In this First Amendment to Credit Agreement, all capitalized words and terms shall have the respective meanings and be construed herein as provided in Section 1.01 of the Original Credit Agreement, as that Section is amended hereby. This First Amendment to Credit Agreement shall be deemed to incorporate such words and terms as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

C. Mountain City Casino Partners, L.P., a Colorado limited partnership ('MCCP') is the owner of a thirty percent (30%) equity membership interest in HWLLC, which equity interest together with certain rights to a priority

return and option to acquire additional equity interests (collectively the 'Mountain City Interests') are to be acquired by HCR in exchange (the 'Equity Exchange') for three hundred eighty-two thousand five hundred (382,500) shares of the common voting stock of HCR pursuant to the terms of that certain Acquisition Agreement dated as of March 28, 1996 (the 'Acquisition Agreement') executed by and between HCR and MCCP.

D. The Equity Exchange, together with the exchange of Eight Million Dollars (\$8,000,000.00) in aggregate principal amount of HCR subordinated notes due December 31, 2001 (the 'Harveys Notes') and Six Million Dollars (\$6,000,000.00) in cash (together with the Harveys Notes, the 'Exchange Consideration') for Eleven Million Nine Hundred One Thousand Five Hundred Dollars (\$11,901,500.00) in aggregate principal amount of Senior Notes due 1997 (the 'HWW Notes') of HWWLLC, and interest accrued thereon in the approximate amount of approximately One Million Nine Hundred Thousand Dollars (\$1,900,000.00) (the 'Debt Exchange') is the subject of the Form S-4 Registration Statement, Registration Number 333-616, filed with the Security and Exchange Commission on March 15, 1996 (as amended from time to time the 'Exchange Registration').

E. HCR desires to issue up to One Hundred Fifty Million Dollars (\$150,000,000.00) in Senior Subordinated Notes due 2006 (the 'Senior Subordinated Notes') pursuant to and in accordance with the terms and conditions set forth in the Form S-1 Registration Statement, Registration No. 333-3576 filed with the Securities and Exchange Commission on April 16, 1996 (collectively the 'S-1 Registration') and the indenture governing the Senior Subordinated Notes (the 'Indenture').

F. In order to permit the Equity Exchange, Debt Exchange and issuance of the Senior Subordinated Notes, Borrowers have requested and Banks have agreed to the amendments and modifications to the Original Credit Agreement which are hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree to amend the Original Credit Agreement by amending and substituting, as applicable, the amended terms and provisions as hereinafter set forth, which amended terms shall be deemed effective as of the First Amendment Effective Date, unless otherwise noted:

Section 1. DEFINITIONS. Section 1.01 of the Original Credit Agreement shall be and is hereby amended to include the following definitions. Those terms which are currently defined by Section 1.01 of the Original Credit Agreement and which are also defined below shall be defined as set forth below as of the First Amendment Effective Date unless the definition set forth below does not become effective until either the Equity Exchange Effective Date or the Senior Subordinated Notes Effective Date, as applicable, in which case the terms set forth in the Original Credit Agreement shall continue until the applicable replacement defined term becomes effective as set forth below:

'Acquisition Agreement' shall have the meaning ascribed to such term in Recital Paragraph C of the First Amendment to Credit Agreement.

'Assignments' shall mean on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, collective reference to the Tahoe Assignment of Permits, Licenses and Contracts, Tahoe Assignment of Spaceleases, Contracts, Rents and Revenues, Assignment of Park Cattle Lease, Assignment of Tahoe Greenbelt Lease, Assignment of Management Fees, Assignment of California Greenbelt Lease, Iowa Assignment of Permits, Licenses and Contracts, Iowa Assignment of Space Leases, Contracts, Rents and Revenues, Assignment of Friendship Sublease, Assignment of Iowa Engineer's Contract, Assignment of Iowa Dock General Contractor's Agreement, Assignment of Iowa Hotel Architect's Contract, Assignment of Iowa Hotel General Contractor's Agreement, Assignment of Iowa Riverboat Architect's Contract, Assignment of Iowa Riverboat General Contractor's Agreement, Central City Assignment of Permits, Licenses and Contracts and Central City Assignment of Spaceleases, Contracts, Rents and Revenues.

'Borrowers' shall mean on and after the Equity Exchange Effective Date collective reference to HCR, HCCMC, HIMC and HWLLC.

'Central City Assignment of Permits, Licenses and Contracts' shall mean the Assignment of Permits, Licenses and Contracts to be executed by HCCMC and HWLLC within ten (10) Banking Business Days following the Equity Exchange Effective Date, pursuant to which HCCMC and HWLLC assign to Agent Bank on

behalf of the Lenders, all of their respective right, title and interest in and to all assignable permits, licenses and contracts relating to the Central City Hotel/Casino Facility, as it may be amended, modified, extended, renewed or restated from time to time.

'Central City Assignment of Spaceleases, Contracts, Rents and Revenues' shall mean the Assignment of Spaceleases, Contracts, Rents and Revenues, as may be amended, modified, extended, renewed or restated from time to time, to be executed by HCCMC and HWLLC within ten (10) Banking Business Days following the Equity Exchange Effective Date, pursuant to which HCCMC and HWLLC assign to Agent Bank on behalf of the Lenders: (a) all of their respective right, title and interest under all Equipment Leases, Contracts and Spaceleases relating to the Central City Hotel/Casino Facility, and (b) all rents, issues, profits, revenues and income from the Central City Property and the Central City Hotel/Casino Facility and any other business activity conducted on the Central City Property, together with any future expansions thereof, related thereto or used in connection therewith.

'Central City Casino Property' shall mean that real property which is particularly described as Parcels 1 and 2 on 'Exhibit V' attached to the First Amendment to Credit Agreement and by this reference incorporated into the Credit Agreement.

'Central City Collateral' shall mean collective reference to: (i) all of the Central City Property and the personal property, furniture, fixtures and equipment, contract rights, leases, intangibles and other interests of HCCMC and HWWLLC, which are subject to the liens and security interests of the Central City Security Documents; (ii) all rights of HCCMC and HWWLLC assigned as additional security pursuant to the terms of the Central City Security Documents; and (iii) any and all other property and/or intangible rights, interest or benefits inuring to or in favor of HCCMC or HWWLLC, which are in any manner assigned, pledged, encumbered or otherwise hypothecated in favor of Agent Bank on behalf of Lenders to secure payment of the Bank Facilities.

'Central City Deed of Trust' shall mean the Deed of Trust, Fixture Filing and Security Agreement with Assignment of Rents to be executed, within ten (10) Banking Business Days following the Equity Exchange Effective Date, by HCCMC and HWWLLC, as trustors and debtors, to the Public Trustee of Gilpin County, Colorado, as trustee, in favor of Agent Bank on behalf of Lenders, as

beneficiary and secured party, encumbering the Central City Property and other Collateral more particularly described therein, for the purpose of securing the Bank Facilities and all other sums which may be owing by Borrowers to the Banks from time to time under the terms of the Credit Agreement, as said Central City Deed of Trust may be amended, modified, extended, renewed or restated from time to time.

'Central City Depository Closing Instructions' shall mean the Depository Closing Instructions to be given by Agent Bank to Colorado Title Company, within ten (10) Banking Business Days following the Equity Exchange Effective Date, setting forth the requirements of Lenders for the issuance of the Central City Title Insurance Policy and conditions for recordation of the Central City Deed of Trust and other Central City Security Documents.

'Central City Financing Statements' shall mean the Uniform Commercial Code Financing Statements to be filed in the office of the Secretary of State of the State of Colorado, and in the office of the County Recorder of Gilpin County, Colorado, within ten (10) Banking Business Days following the Equity Exchange Effective Date, in order to perfect the security interest granted to Agent Bank on behalf of the Lenders under the Central City Deed of Trust and other Security Documentation in accordance with the requirements of the Colorado Uniform Commercial Code, as such Financing Statements may be amended, modified, extended, renewed or restated from time to time.

'Central City Hotel/Casino Facility' shall mean the hotel and casino business and related activities conducted by HCCMC and/or HWWLLC on the Central City Property and all improvements now or hereafter situate thereon, presently conducted under the style and name of Harveys Wagon Wheel Hotel Casino.

'Central City Parking Garage Property' shall mean that real property which is particularly described as Parcels 3 and 4 on 'Exhibit V' attached hereto and incorporated by reference herein.

'Central City Property' shall mean collective reference to the Central City Casino Property and the Central City Parking Garage Property.

'Central City Security Documents' shall mean collective reference to the Central City Deed of Trust, Central City Financing Statements, Central City Assignment of Permits, Licenses and Contracts, Central City Assignment of Spaceleases, Contracts, Rents and Revenues, Payment Subordination Agreement and any other document or instrument which is executed or delivered by HCR, HCCMC and/or HWWLLC, and accepted by Agent Bank, on behalf of Lenders, as security for payment of the Bank Facilities.

'Central City Title Insurance Policy' shall mean the ALTA Extended Coverage Lenders Policy of Title Insurance and endorsements to be attached thereto, to be issued by Colorado Title Company within ten (10) Banking Business Days following the Equity Exchange Effective Date, in the aggregate amount of Twenty Million Dollars (\$20,000,000.00) in favor of Agent Bank on behalf of the Lenders, insuring the Central City Deed of Trust as a first mortgage lien on the Central City Casino Property, and as a second mortgage lien on the Central City Parking Garage Property; all subject only to the exceptions permitted to be shown thereon in accordance with the requirements set forth in the Central City Depository Closing Instructions.

'Colorado EBITDA' shall mean with reference to the Central City Casino, for any fiscal period under review, on and after the Equity Exchange Effective Date: (a) the sum of (i) Colorado EBIT for that period, plus (ii) depreciation and amortization for that period to the extent deducted in the determination of Net Income, determined in accordance with GAAP, plus (c) the amount of Colorado Management Fees paid in Cash by the Central City Casino to HCCMC for such period, but only to the extent deducted in the determination of Net Income for that period.

'Credit Agreement' shall mean the Original Credit Agreement as amended by the First Amendment to Credit Agreement, as it may be further amended, modified, extended, renewed or restated from time to time.

'Debt Exchange' shall have the meaning ascribed to such term in Recital Paragraph D of the First Amendment to Credit Agreement.

'Deeds of Trust' shall mean collective reference to: (i) the Tahoe Deed of Trust and the California Deed of Trust; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Deed of Trust.

'Default Notice Recording' shall mean either:

(i) the recordation of a notice of default and election to sell by Agent Bank, on behalf of Lenders, in the office of the County Recorder of

Douglas County, Nevada, under which a non-judicial foreclosure proceeding under NRS Chapter 107 or in the office of the County Recorder of El Dorado County, California, under which a non-judicial foreclosure proceeding under California law is initiated by Agent Bank as beneficiary under the Tahoe Deed of Trust and/or the California Deed of Trust;

(ii) the commencement of a judicial foreclosure action in the Judicial District Court of Nevada in and for the County of Douglas, pursuant to which Lenders or Agent Bank, on behalf of Lenders, seek judicial foreclosure under NRS Chapter 106 or a judicial foreclosure action in the Superior Court of El Dorado County, California, pursuant to which Lenders or Agent Bank on behalf of Lenders seek judicial foreclosure under California law of the Tahoe Deed of Trust and/or the California Deed of Trust;

(iii) the commencement of a judicial foreclosure action under the Iowa Mortgage pursuant to which Lenders or Agent Bank on behalf of Lenders seek judicial foreclosure or a judicial action in Pottawattamie County, Iowa, pursuant to which Lenders or Agent Bank on behalf of Lenders seek judicial foreclosure under Iowa law of the Iowa Mortgage;

(iv) the commencement of a foreclosure action pursuant to which Lenders or Agent Bank on behalf of Lenders seek foreclosure of the Iowa Ship Mortgage;

(v) the recordation of a notice of default and election to sell by Agent Bank, on behalf of Lenders, in the office of the County Recorder of Gilpin County, Colorado, under which a non-judicial foreclosure proceeding is initiated by Agent Bank as beneficiary under the Central City Deed of Trust; or

(vi) the commencement of a judicial foreclosure action in a Colorado court of competent jurisdiction, pursuant to which Lenders or Agent Bank, on behalf of Lenders, seek judicial foreclosure under the Central City Deed of Trust.

'Equipment Leases and Contracts' shall mean the executed leases and purchase contracts pertaining to FF&E: (i) wherein Borrowers, or any of them, are the lessee or vendee, as the case may be, as set forth on that certain Schedule of Equipment Leases and Contracts designated as Schedule 4.19, affixed to the Original Credit Agreement and by this reference incorporated into the Credit Agreement and made a part thereof; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, wherein HCCMC and/or HWWLLC is the lessee or vendee, as the case may be, as set forth on that certain Supplemental Schedule of Equipment Leases and Contracts designated as Supplemental Schedule 4.19 affixed to the First Amendment to Credit Agreement and by this reference incorporated into the Credit Agreement and made a part thereof.

'Equity Exchange' shall have the meaning ascribed to such term in Recital Paragraph C of the First Amendment to Credit Agreement.

'Equity Exchange Effective Date' shall mean the date upon which the Equity Exchange has been consummated and the Mountain City Interests are owned by HCR.

'Exchange Registration' shall have the meaning ascribed to such term in Recital Paragraph D of the First Amendment to Credit Agreement.

'First Amendment Effective Date' shall mean May 15, 1996, or such later date as each of the conditions precedent set forth in Section 11 of the First Amendment to Credit Agreement have occurred.

'First Amendment to Credit Agreement' shall have the meaning set forth in the Preamble of the First Amendment to Reducing Revolving Credit Agreement dated as of May 15, 1996, executed by and among Borrower and Banks.

'HWW Notes' shall have the meaning ascribed to such term in Recital Paragraph D of the First Amendment to Credit Agreement.

'Harveys Notes' shall have the meaning ascribed to such term in Recital Paragraph D of the First Amendment to Credit Agreement.

'Hotel/Casino Facilities' shall mean collective reference to: (i) the Tahoe Hotel/Casino Facility and Iowa Riverboat/Hotel Facilities; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Hotel/Casino Facility; all together with any future expansions thereof, related thereto or used in connection therewith, and all appurtenances thereto.

'Indenture' shall have the meaning ascribed to such term in Recital Paragraph E of the First Amendment to Credit Agreement.

'MCCP' shall have the meaning ascribed to such term in Recital Paragraph C of the First Amendment to Credit Agreement.

'Mortgages' shall mean collective reference to: (i) the Tahoe Deed of Trust, California Deed of Trust, Iowa Mortgage and Iowa Ship Mortgage; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Deed of Trust.

'Mountain City Interests' shall have the meaning ascribed to such term in Recital Paragraph C of the First Amendment to Credit Agreement.

'Original Credit Agreement' shall have the meaning set forth in Recital Paragraph A to the First Amendment to Credit Agreement.

'Payment Subordination Agreement' shall have the meaning ascribed to such term in Section 4(e) of the First Amendment to Credit Agreement.

'Permitted Encumbrances' shall mean, at any particular time, (i) liens for taxes, assessments or governmental charges not then due, payable and delinquent, (ii) liens for taxes, assessments or governmental charges not then required to be paid pursuant to Section 5.10, (iii) liens in favor of Agent Bank or any Lender created or contemplated by the Security Documentation, (iv) the liens, encumbrances and restrictions on the Real Properties and existing

improvements which are allowed by Banks to appear in Schedule B, Part I and II of the respective Title Insurance Policies (including, without limitation, the Central City Title Insurance Policy) relating to such Real Properties, (v) liens in favor of Agent Bank on behalf of the Lenders or consented to in writing by Agent Bank upon the approval of Requisite Lenders, (vi) until, but not subsequent to, ten (10) Banking Business Days following the Senior Subordinated Notes Effective Date, purchase money security interests or Capital Lease Liabilities for acquired FF&E or the Riverboat Senior Financing up to the maximum cumulative aggregate amount of Twenty Million Dollars (\$20,000,000.00) and only to the extent of the lesser of the purchase money loan or the fair market value of the acquired FF&E as of the applicable acquisition date or the Riverboat as of the date of incurrence of the Riverboat Senior Financing, as the case may be, (vii) easements, licenses or rights-of-way, hereafter granted to any Governmental Authority or public utility providing services to the Hotel/Casino Facilities which are first approved in writing by the Agent Bank upon the approval of Requisite Lenders, (viii) judgment liens on property other than the Collateral which do not constitute an Event of Default, (ix) statutory liens of landlords and liens of carriers, warehousemen, mechanics, customs and revenue authorities and materialmen and other similar liens imposed by law incurred in the ordinary course of business which could not reasonably be expected to cause a Material Adverse Effect and which are discharged in accordance with Section 5.04, (x) liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations; (xi) leases, concessions or subleases granted to others not interfering in any material respect with the ordinary conduct of the business of Borrowers, or any of them, or any of their respective Subsidiaries; and (xii) minor defects, encroachments or irregularities in title not interfering in any material respect with the ordinary conduct of the business of Borrowers, or any of them, or any of their respective Subsidiaries; and (xiii) pledges and security interests granted by HCR in favor of third parties of HCR's interest in promissory notes made by HRHI payable to the order of HCR, which promissory notes evidence the terms of repayment of subordinated loans made by HCR to HRHI pursuant to and in accordance with the terms of the Hard Rock Makewell Agreement.

'Real Properties' shall mean collective reference to:

(i) the Tahoe Real Property, the California Greenbelt Property, the Tahoe Greenbelt Property, the Park Cattle Property and the Iowa Real Property; and (ii)

on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Property.

'Security Documentation' shall mean collective reference to: (i) the Tahoe Security Documents, the Iowa Security Documents, the Security Agreement and Pledge of Stock, the Trademark Security Agreement and all other instruments and agreements to be executed by or on behalf of Borrowers or other applicable persons, in favor of Agent Bank on behalf of the Lenders, securing repayment of the Bank Facilities; (ii) until, but not subsequent to, ten (10) Banking Business Days following the Equity Exchange Effective Date, the Colorado Security Agreement and Colorado Financing Statements; and (iii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Security Documents.

'Senior Parking Garage Deed of Trust' shall mean that certain Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing which is executed by HCCMC, as borrower, to the Public Trustee of Gilpin County, Colorado, as trustee, for the benefit of David R. Belding, which was recorded in the Official Records of Gilpin County, Colorado on February 9, 1996 in Book 594 at Page 190 under Reception No. 87446, for the purpose of encumbering, among other things, the Central City Parking Garage Property, as security for payment and performance by HCR and HCCMC under the Senior Parking Garage Loan.

'Senior Parking Garage Loan' shall mean that loan transaction pursuant to which David R. Belding made a term loan to HCR and HCCMC in the original principal amount of Ten Million Dollars (\$10,000,000.00), which is evidenced by, among other instruments, a Promissory Note executed by HCR and HCCMC under date of February 9, 1996 and payable to the order of David R. Belding in the original principal amount of Ten Million Dollars (\$10,000,000.00).

'Senior Subordinated Notes' shall have the meaning ascribed to such term in Recital Paragraph E of the First Amendment to Credit Agreement.

'Senior Subordinated Notes Effective Date' shall mean the date upon which the Senior Subordinated Notes have been issued by HCR and HCR has received the proceeds thereof, net of costs and expenses.

'Spaceleases' shall mean: (i) the executed spaceleases pertaining to the Tahoe Hotel/Casino Facility and/or Iowa Riverboat/Hotel Facilities, or any portion thereof, wherein HCR or HIMC, as applicable, is the lessor, as set forth on that certain Schedule of Spaceleases set forth as Schedule 4.18, affixed to

the Original Credit Agreement and by this reference incorporated into the Credit Agreement and made a part thereof; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the executed spaceleases pertaining to the Central City Hotel/Casino Facility, or any portion thereof, wherein HCR, HCCMC or HWWLLC, as applicable, is the lessor, as set forth on that certain Supplemental Schedule of Spaceleases set forth as Supplemental Schedule 4.18, affixed to the First Amendment to Credit Agreement

and by this reference incorporated into the Credit Agreement and made a part thereof.

'TFCC Ratio' as of the end of any Fiscal Quarter shall mean with reference to the HCR Consolidation:

The sum of net profit after tax, plus Interest Expense (accrued and capitalized), plus depreciation and amortization expense, plus operating lease expense, plus rental expense, minus dividends declared, minus actual Capital Expenditures (not including budgeted project costs of the Iowa Riverboat/Hotel Facilities paid in 1995 and 1996 up to the cumulative aggregate amount of Ninety-Six Million Four Hundred Thousand Dollars (\$96,400,000.00), but including all project costs in excess thereof) in each case for such Fiscal Quarter and the three (3) Fiscal Quarters immediately preceding such Fiscal Quarter,

Divided by (/)

The sum of Interest Expense (accrued and capitalized), plus operating lease expense, plus rental expense in each case for such Fiscal Quarter and the three (3) Fiscal Quarters immediately preceding such Fiscal Quarter, plus the current portion of long term Indebtedness (including all principal payments and Scheduled Reductions required to be made under the Credit Facility), plus the current portion of Capitalized Lease Liabilities, as of the end of such Fiscal Quarter under review.

'Title Insurance Policies' shall mean collective reference to:
(i) the Iowa Title Insurance Policy, the Tahoe Title Insurance Policy and the Colorado Title Insurance Policy; and (ii) on and after ten (10) Banking Business Days following the Equity Exchange Effective Date, the Central City Title Insurance Policy.

Section 2. CONSENT TO AND OCCURRENCE OF EQUITY EXCHANGE. As of the First Amendment Effective Date, Lenders do hereby consent to completion of the Equity Exchange by HCR in accordance with and as provided in the Exchange Registration. HCR agrees to complete or cause the completion of the Equity Exchange no later than June 15, 1996.

Section 3. ASSUMPTION BY HWWLLC AS OF EQUITY EXCHANGE EFFECTIVE DATE. HWWLLC joins in the execution of this First Amendment to Credit Agreement for the purpose of evidencing its agreement and, as of the Equity Exchange Effective Date, does hereby jointly and severally assume all duties, obligations and liabilities of Borrowers under the Original Credit Agreement, this First Amendment to Credit Agreement, the Notes and each of the other Loan Documents as a Co-Borrower and agrees to jointly and severally perform all of the promises covenants of Borrowers arising or performable from and after the Equity Exchange Effective Date.

Section 4. PERFECTION OF SECURITY INTERESTS IN CENTRAL CITY PROPERTY. On or before ten (10) Banking Business Days following the Equity

Exchange Effective Date:

a. HWWLLC shall cause the Central City Property to be encumbered by the Central City Security Documents in favor of Agent Bank on behalf of Lenders as additional Collateral for the Bank Facilities, which shall include the following documents and instruments in each case in the form prepared by the Lenders' attorneys:

i. Central City Deed of Trust;

ii. Central City Assignment of Permits, Licenses and Contracts;

iii. Central City Assignment of Spaceleases, Contracts, Rents and Revenues; and

iv. Central City Financing Statements.

b. HWWLLC and HCR shall cause the Central City Title Insurance Policy to be issued in favor of Agent Bank on behalf of the Lenders in accordance with the Central City Depository Closing Instructions.

c. HWWLLC and HCR shall cause the Colorado Intercompany Deed of Trust and each other document of record or filed in the State of Colorado relating to or perfecting a security interest for the Colorado Intercompany Note to be fully released and reconveyed. In this regard, Agent Bank agrees to join in the execution of such documents as may be necessary to cause a release of the Colorado Financing Statements and cancellation of the Colorado Security Agreement.

d. The HWW Notes shall be assigned to HCR and HWWLLC and HCR shall cause all security instruments securing repayment thereof to be fully released and reconveyed in exchange for the Harveys Notes pursuant to the Debt Exchange as set forth in the Exchange Registration.

e. HCR shall execute and deliver to Agent Bank on behalf of the Lenders, a Payment Subordination and Security Agreement ('Payment Subordination Agreement') in the form prepared by Lenders' attorneys and shall further deliver the originals of each of the Colorado Intercompany Note and the HWW Notes (together with endorsements or other evidence of assignment to HCR) which shall be subject to the payment restrictions and shall be held by Agent Bank pursuant to the terms of the Payment Subordination Agreement.

f. One or more opinions of counsel to the Borrowers and addressed to the Agent Bank and each of the Banks, together with their respective successors and assigns, substantially in the form of the legal opinion marked 'Exhibit M-1', affixed to the First Amendment to Credit Agreement and by this reference incorporated herein and made a part hereof.

Section 5. RESTATEMENT OF SECTION 5.23. INVESTMENTS AND ADVANCES.

As of the Equity Exchange Effective Date, Section 5.23 of the Original Credit Agreement (other than Section 5.23(c) which shall not be deemed amended until the occurrence of the Senior Subordinated Notes Effective Date) entitled 'Investments and Advances', shall be and is hereby amended and restated in its entirety as follows:

Section 5.23. INVESTMENTS AND ADVANCES. Other than Investments, Advances and Contingent Liabilities made or incurred as of the Closing Date, Borrowers shall not make any further Investments or Advances or incur any further Contingent Liabilities in connection with or relating to HLVMC, HRHI, the Hard Rock Hotel

(other than in connection with the Hard Rock Guaranty or Hard Rock Make Well Agreement), or any of them. Additionally, Borrowers, or any of them, shall not make any Advances or Investments or incur Contingent Liabilities other than as specifically permitted below or by Section 5.25:

a. Investments: (i) in Cash Equivalents, or (ii) pursuant to and consistent with the HCR Investment Policy which Investments are first approved by Requisite Lenders.

b. New Venture Investments by HCR (other than Investments in HIMC as provided in subparagraph (c) hereinbelow) and Contingent Liabilities in respect thereof so long as: (i) the cumulative aggregate of all New Venture Investments plus the aggregate of Adjusted HCR Contingent Liabilities (exclusive of any HCR Contingent Liability attributable to the Hard Rock Guaranty or Hard Rock Make Well Agreement, as the case may be and exclusive of the Colorado Slot Lease Guaranty) as of any date of determination shall not exceed Forty Million Dollars (\$40,000,000.00) at any time prior to Bank Facility Termination, and (ii) the construction plans and specifications, all material construction contracts and construction agreements, construction budgets and projections and construction time tables for construction and completion of each New Venture is first approved by Agent Bank upon the consent of Requisite Lenders.

c. On and after the Senior Subordinated Notes Effective Date, Investments in and Advances to HIMC by HCR or any of its Subsidiaries used for the purpose of financing the costs of construction and development of the Iowa Riverboat/Hotel Facilities.

d. Advances received by HCR from any of its Subsidiaries.

e. Investments received in settlement of arms-length disputes with non-Affiliates of Borrowers.

f. Investments received as consideration for asset sales made in arms-length transactions for fair market consideration.

g. Investments and Advances to HCCMC or HWLLC by HCR or any of its Subsidiaries relating to the Central City Hotel/Casino Facility for the purpose of: (i) acquiring all right, title and interest of MCCP in and to HWLLC pursuant to the Acquisition Agreement, (ii) acquiring the Parking Garage Property and constructing a parking garage thereon, and (iii) Capital Expenditures relating to the Central City Hotel/Casino Facility.

Section 6. ADDITION OF SUBSECTIONS 5.24(D) AND (E) REGARDING ADDITIONAL UNSECURED INDEBTEDNESS AND SENIOR PARKING GARAGE LOAN. As of the Equity Exchange Effective Date, Section 5.24 of the Original Credit Agreement entitled 'Additional Indebtedness' shall be and is hereby amended by adding thereto additional Subsections (d) and (e) as follows:

d. Unsecured Indebtedness, provided that any unsecured note or series of notes or other evidence of Indebtedness to any single lender or syndication of lenders for a single transaction or series of related transactions in excess of Ten Million Dollars (\$10,000,000.00) shall first be approved in writing by Requisite Lenders, which approval shall not be unreasonably withheld provided that each of the following conditions are true with respect to such Indebtedness:

(i) Covenants relating to such Indebtedness must not be more restrictive than those required under the Credit Agreement,

(ii) the unsecured note or notes or other evidence of Indebtedness must mature at least six (6) months following the Maturity Date under the Credit Agreement,

(iii) the rate of interest on the unsecured note or notes or other evidence of Indebtedness shall be at the current market rate for similar transactions in the marketplace, and

(iv) the unsecured note or notes or other evidence of Indebtedness may not require principal payments to be made prior to Bank Facility Termination.

e. The Senior Parking Garage Loan until the date specified in Section 8(d) of the First Amendment to Credit Agreement, on or before which date the Senior Parking Garage Loan shall be fully paid.

Section 7. RESTATEMENT OF SECTION 5.25, CONTINGENT LIABILITIES. As of the Equity Exchange Effective Date, Section 5.25 of the Original Credit Agreement entitled "Contingent Liabilities" shall be and is hereby amended and restated in its entirety as follows:

Section 5.25. CONTINGENT LIABILITIES. Neither HIMC, HCCMC nor HWLLC may incur any Contingent Liabilities. No HCR Contingent Liability may contain terms or provisions more restrictive on HCR than the covenants, terms and provisions

applicable to HCR, the Borrower Consolidation and/or the HCR Consolidation, as applicable, within the Credit Agreement.

Section 8. OCCURRENCE OF SENIOR SUBORDINATED NOTES EFFECTIVE DATE, DESIGNATION OF SENIOR DEBT AND REQUIRED PAYMENTS FROM PROCEEDS OF SENIOR SUBORDINATED NOTES. As of the First Amendment Effective Date, Lenders do hereby consent to issuance of the Senior Subordinated Notes by HCR in accordance with and as provided in the S-1 Registration up to the aggregate amount of One Hundred Fifty Million Dollars (\$150,000,000.00). The Senior Subordinated Notes Effective Dates shall occur on or before July 31, 1996. On or before ten (10) Banking Business Days following the Senior Subordinated Notes Effective Date (except as otherwise noted in (d) below), Borrowers shall cause the Bank Facilities to be Designated Senior Debt pursuant to an Officer's Certificate in accordance with the procedure set forth in the Indenture and shall pay or cause to be paid in full the following Indebtedness:

a. all outstanding principal and interest then owing under the Harveys Notes;

b. all Indebtedness guaranteed under the terms of the Colorado Slot Lease Guaranty;

c. all Indebtedness owing under the terms of the Riverboat Senior Financing and shall additionally cause the release and reconveyance of all ship mortgages and other security instruments encumbering the Riverboat or any equipment, furniture, fixtures or gaming devices located on the Riverboat other than the Iowa Ship Mortgage and related security interests in favor of Agent Bank on behalf of the Lenders; and

d. on or before June 15, 1996, Borrower shall pay or cause to be paid all sums owing on the Senior Parking Garage Loan and cause the full release and reconveyance of the Senior Parking Garage Deed of Trust and all related security instruments securing repayment of the Senior Parking Garage Loan.

Section 9. PARCEL MAP REQUIREMENT FOR CENTRAL CITY PARKING GARAGE PROPERTY. On or before September 15, 1996, Borrowers shall cause a parcel map to be prepared, approved, filed and recorded in accordance with all applicable laws,

regulations and requirements of all necessary Governmental Authorities, including without limitation, Central City, Gilpin County, State of Colorado, for the purpose of creating the Central City Parking Garage Property as a legally separate and recognized parcel of real property, which parcel map shall additionally be first approved by Agent Bank.

Section 10. AMENDMENT OF SECTION 7.01, EVENTS OF DEFAULT. As of the Senior Subordinated Notes Effective Date, Section 7.01 entitled 'Events of Default' shall be and is hereby amended by adding thereto an additional Subsections (w) and (x) as follows:

(w) The occurrence of any 'Change of Control' as defined in the S-1 Registration and/or Indenture which causes any holder or holders of the Senior Subordinated Notes to require the Company to repurchase all or any part of such holder's or holders' Senior Subordinated Notes; and

(x) Borrowers, or any of them, shall fail duly and punctually to perform or comply with any term, covenant, condition or promise contained in the First Amendment to Credit Agreement, which failure continues for more than ten (10) Banking Business Days after written notice thereof is delivered to Borrowers by Agent Bank.

Section 11. CONDITIONS PRECEDENT TO FIRST AMENDMENT EFFECTIVE DATE.

The occurrence of the First Amendment Effective Date is subject to Agent Bank having received the following documents and payments, in each case in a form and substance reasonably satisfactory to Banks:

a. Execution and delivery by each of the Borrowers and Banks of fourteen (14) counterpart originals of the First Amendment to Credit Agreement.

b. Delivery to Agent Bank of a copy of a corporate resolution of each of the Borrowers authorizing the execution and delivery of this First Amendment to Credit Agreement and each document, agreement and instrument to be executed and delivered in connection herewith.

c. Reimbursement to Agent Bank by Borrowers for the reasonable attorneys' fees of Henderson & Nelson incurred in connection with the preparation and execution of the First Amendment to Credit Agreement; and

d. Such other documents, instruments or conditions as may reasonably be required by Agent Bank.

Section 12. REPRESENTATIONS AND WARRANTIES. To induce Banks to enter into this First Amendment to Credit Agreement, Borrowers hereby: (i) ratify and reaffirm the representations and warranties set forth in Article IV of the Original Credit Agreement; (ii) warrant and represent that each such representation and warranty shall be true and correct as of the First Amendment Effective Date, other than representations and warranties which expressly speak as of a different date which shall be true and correct as of such date; and (iii) represent and warrant that, as of the First Amendment Effective Date, no Default or Event of Default has occurred and remains continuing.

Section 13. NO OTHER CHANGES. Except as specifically set forth herein, the Original Credit Agreement shall remain unchanged and in full force and effect.

Section 14. GOVERNING LAW. This First Amendment to Credit Agreement shall be governed by the internal laws of the State of Nevada without reference to conflicts of laws principles.

Section 15. COUNTERPARTS. This First Amendment to Credit Agreement may be

executed in any number of counterparts, all of which taken together shall constitute one agreement, and any party hereto may execute this First Amendment to Credit Agreement by signing any such counterpart.

Section 16. ADDITIONAL/REPLACEMENT SCHEDULES AND EXHIBITS ATTACHED. The following replacement Schedules and Exhibits are attached hereto and incorporated herein and made a part of the Credit Agreement as follows:

Supplemental Schedule 4.18 - Supplemental Schedule of Spaceleases

Supplemental Schedule 4.19 - Supplemental Schedule of Equipment Leases and Contracts

Exhibit M-1 - Colorado Legal Opinion (Form)

Exhibit V - Central City Casino Property and Central City Parking Garage Property Description

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Credit Agreement to be executed as of the day and year first above written.

BORROWERS:

HARVEYS CASINO RESORTS,
a Nevada corporation

By: /s/ Charles W. Scharer
Charles W. Scharer,
President

By: /s/ William B. Ledbetter
William B. Ledbetter,
Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS C.C. MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: /s/Thomas M. Yturbide
Thomas M. Yturbide,
President

By: /s/William B. Ledbetter
William B. Ledbetter,
Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS IOWA MANAGEMENT COMPANY., INC.,
a Nevada corporation

By: /s/Thomas M. Yturbide
Thomas M. Yturbide,
President

By: /s/Charles W. Scharer
Charles W. Scharer,
Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS WAGON WHEEL CASINO
LIMITED LIABILITY COMPANY

By: /s/Charles W. Scharer
Charles W. Scharer
Chairman, Board of Managers

By: /s/ Thomas M. Yturbide
Member, Board of Managers

Address: HWLLC:
Highway 50
P. O. Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

BANKS:

FIRST INTERSTATE BANK OF NEVADA, N.A.,
Agent Bank, Lender, Swingline Lender
and L/C Issuer

By: /s/ Grace A. Bartholet
Title: Vice President

Address:

One East First Street
Reno, Nevada 89501

Telephone: (702) 334-5633
Facsimile: (702) 334-5637

WELLS FARGO BANK, N.A.,
successor by merger with
FIRST INTERSTATE BANK OF
CALIFORNIA, Lender

By: /s/ Guity Javid
Title: Senior Vice President

By: /s/ Charles W. Reed
Title: Senior Vice President

Address:

707 Wilshire Boulevard
W16-20 (MAC 2818-166)
Los Angeles, CA 90017

Telephone: (213) 614-3903
Facsimile: (213) 614-2569

BANK OF THE WEST,
Lender

By: /s/ Tom J. Matson
Title: Regional Vice President

Address:

1450 Treat Boulevard
Walnut Creek, CA 94596

Telephone: (510) 942-8675
Facsimile: (510) 256-8276

FIRST SECURITY BANK OF IDAHO, N.A., Lender

By:/s/ David P. Williams
Title: Vice President

Address:

15 East 100 South
2nd Floor
Salt Lake City, UT 84111

Telephone: (801) 246-5540
Facsimile: (801) 246-5532

IMPERIAL BANK, Lender

By: /s/Steven K. Johnson
Title: Senior Vice President

By:/s/John F. Farrace
Title:Assistant Vice President
Address:

9920 S. La Cienega
Ingelwood, CA 90301

Telephone: (310) 417-5657
Facsimile: (310) 338-6160

NORWEST BANK OF NEBRASKA, N.A., Lender

By: /s/Dee Ann Wenger
Title:Assistant Vice President

Address:

1919 Douglas Street
Omaha, NE 68102

Telephone: (402) 536-2576
Facsimile: (402) 536-2251

NBD BANK, Lender

By:/s/ James Junker
Title: Vice President

Address:

National Banking Division
Mezzanine Level
611 Woodward Ave.
Detroit, MI 48226

Telephone: (313) 225-1424
Facsimile: (313) 225-2649

SOCIETE GENERALE, Lender

By:/s/ J.Blaine Shaun
Title:Regional Manager

Address:

2029 Century Park East
Suite 2900
Los Angeles, CA 90067

Telephone: (310) 788-7104
Facsimile: (310) 551-1537

THE SUMITOMO BANK, LIMITED,
Chicago Branch, Lender

By:/s/ David M. Lawrence
Title: Vice President and Manager

By: /s/Bardford E.Chambers
Title:Vice President

Address:

800 W. Sixth Street
Suite 950
Los Angeles, CA 90017

Telephone: (213) 623-7847
Facsimile: (213) 623-4629

U.S. BANK OF NEVADA, Lender

By:/s/ Kurt Imerman
Title:Vice President

Address:

One East Liberty Street
2nd Floor
Reno, NV 89501

Telephone: (702) 688-6589
Facsimile: (702) 688-6597

WEST ONE BANK, IDAHO, Lender

By:/s/Steve Bentin
Title:Vice President

Address:

Corporate Banking, 1-0094
101 S. Capital Blvd.
Boise, ID 83702

Telephone: (208) 383-7606
Facsimile: (208) 383-7563

ARGENTBANK, Lender

By: /s/ Lionel J. Lagarde, Jr.
Title:Vice President

Address:

203 West 2nd Street
Thibodaux, LA 70301

Telephone: (504) 447-0552
Facsimile: (504) 447-0604

SECOND AMENDMENT TO
REDUCING REVOLVING CREDIT AGREEMENT

THIS SECOND AMENDMENT TO REDUCING REVOLVING CREDIT AGREEMENT ('Second Amendment to Credit Agreement') is made and entered into as of the 23rd day of May, 1996, by and among HARVEYS CASINO RESORTS, a Nevada corporation ('HCR'), HARVEYS C.C. MANAGEMENT COMPANY, INC., a Nevada corporation ('HCCMC'), HARVEYS WAGON WHEEL CASINO LIMITED LIABILITY COMPANY ('HWLLC') and HARVEYS IOWA MANAGEMENT COMPANY, INC., a Nevada corporation ('HIMC' and together with HCR and HCCMC and HWLLC collectively the 'Borrowers'), FIRST INTERSTATE BANK OF NEVADA, N.A., WELLS FARGO BANK, N.A., successor by merger with FIRST INTERSTATE BANK OF CALIFORNIA, BANK OF THE WEST, FIRST SECURITY BANK OF IDAHO, N.A., IMPERIAL BANK, NORWEST BANK OF NEBRASKA, N.A., NBD BANK, SOCIETE GENERALE, THE SUMITOMO BANK, LIMITED, Chicago Branch, U.S. BANK OF NEVADA, WEST ONE BANK, IDAHO and ARGENTBANK (herein together with their respective successors and assigns collectively the 'Lenders'), FIRST INTERSTATE BANK OF NEVADA, N.A., as the swingline lender (herein in such capacity, together with its successors and assigns, the 'Swingline Lender'), FIRST INTERSTATE BANK OF NEVADA, N.A., as the issuer of letters of credit hereunder (herein in such capacity, together with its successors and assigns, the 'L/C Issuer') and FIRST INTERSTATE BANK OF NEVADA, N.A., as administrative and collateral agent for the Lenders, Swingline Lender and L/C Issuer (herein, in such capacity, called the 'Agent Bank' and, together with the Lenders, Swingline Lender and L/C Issuer, collectively referred to as the 'Banks').

R E C I T A L S :

WHEREAS:

A. HCR, HCCMC, HIMC and Banks (The Sumitomo Bank, Limited, Chicago Branch, having acquired the interest of The Daiwa Bank, Limited by Assignment, Assumption and Consent Agreement dated as of February 2, 1996) entered into a Reducing Revolving Credit Agreement dated as of August 14, 1995 (the 'Original Credit Agreement'). Borrowers and Banks entered into a First Amendment to Reducing Revolving Credit Agreement dated as of May 15, 1996 (the 'First Amendment to Credit Agreement' and, together with the Original Credit Agreement, collectively the 'Existing Credit Agreement').

B. In this Second Amendment to Credit Agreement, all capitalized words and terms shall have the respective meanings and be construed herein as provided in Section 1.01 of the Existing Credit Agreement, as that Section is amended hereby. This Second Amendment to Credit Agreement shall be deemed to incorporate such words and terms as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

C. Borrowers and Banks desire to further amend the Existing Credit Agreement for the purposes of: (i) amending the definition of TFCC Ratio for the

purpose of (a) increasing the amount of budgeted project costs of the Iowa Riverboat/Hotel Facilities not to be included in deducted Capital Expenditures from Ninety-Six Million Four Hundred Thousand (\$96,400,000.00) to One Hundred Ten Million Five Hundred Thousand Dollars (\$110,500,000.00) and (b) adding the costs of acquisition of the Central City Parking Garage Property and construction of a parking garage facility thereon up to the cumulative aggregate amount of Ten Million Dollars (\$10,000,000.00) as an exclusion to the Capital Expenditure deduction in the numerator of the TFCC Ratio, (ii) prohibiting prepayment or defeasance of the Senior Subordinated Notes without the prior written consent of Agent Bank, and (iii) deleting the requirement contained in Section 8(b) of the First Amendment to Credit Agreement that all Indebtedness guaranteed under the terms of the Colorado Slot Lease Guaranty be fully paid on or before ten (10) Banking Business Days following the Senior Subordinated Notes Effective Date.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree to amend the Existing Credit Agreement by amending and substituting, as applicable, the amended terms and provisions as hereinafter set forth, which amended terms shall be deemed effective as of the Second Amendment Effective Date.

Section 1. DEFINITIONS. Section 1.01 of the Existing Credit Agreement shall be and is hereby amended to include the following definitions. Those terms which are currently defined by Section 1.01 of the Existing Credit Agreement and which are also defined below shall be defined as set forth below as of the Second Amendment Effective Date:

'Credit Agreement' shall mean the Existing Credit Agreement as amended by the Second Amendment to Credit Agreement, as it may be further amended, modified, extended, renewed or restated from time to time.

'Existing Credit Agreement' shall have the meaning set forth in Recital Paragraph A to the Second Amendment to Credit Agreement.

'First Amendment To Credit Agreement' shall have the meaning set forth in Recital Paragraph A to the Second Amendment to Credit Agreement.

'Original Credit Agreement' shall have the meaning set forth in Recital Paragraph A to the Second Amendment to Credit Agreement.

'Second Amendment Effective Date' shall mean May 29, 1996.

'Second Amendment To Credit Agreement' shall have the meaning set forth in the Preamble of the Second Amendment to Reducing Revolving Credit Agreement dated as of May 23, 1996, executed by and among Borrower and Banks.

'TFCC Ratio' as of the end of any Fiscal Quarter shall mean with reference to the HCR Consolidation:

The sum of net profit after tax, plus Interest Expense (accrued and capitalized), plus depreciation and amortization

expense, plus operating lease expense, plus rental expense, minus dividends declared, minus actual Capital Expenditures (not including (a) budgeted project costs of the Iowa Riverboat/Hotel Facilities paid in 1995 and 1996 up to the cumulative aggregate amount of One Hundred Ten Million Five Hundred Thousand Dollars (\$110,500,000.00) and (b) costs of acquisition of the Central City Parking Garage Property and construction of a parking garage facility thereon up to the cumulative aggregate amount of Ten Million Dollars (\$10,000,000.00), but including all project costs of the Iowa Riverboat/Hotel Facilities and parking garage facility in excess of the aggregate amounts set forth above) in each case for such Fiscal Quarter and the three (3) Fiscal Quarters immediately preceding such Fiscal Quarter,

Divided by (/)

The sum of Interest Expense (accrued and capitalized), plus operating lease expense, plus rental expense in each case for such Fiscal Quarter and the three (3) Fiscal Quarters immediately preceding such Fiscal Quarter, plus the current portion of long term Indebtedness (including all principal payments and Scheduled Reductions required to be made under the Credit Facility), plus the current portion of Capitalized Lease Liabilities, as of the end of such Fiscal Quarter under review.

Section 2. PROHIBITION ON PREPAYMENT OR DEFEASANCE OF SENIOR SUBORDINATED NOTES. Notwithstanding anything contained in the Existing Credit Agreement to the contrary, none of Borrowers nor any Subsidiary of Borrowers shall, except with the prior written consent of the Requisite Lenders, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for, the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, the Senior Subordinated Notes, except for regularly scheduled payments of principal and interest in respect of such Senior Subordinated Notes required pursuant to the instruments evidencing such Senior Subordinated Notes. Any breach of the covenant set forth in the preceding sentence shall be deemed to be an Event of Default under the Credit Agreement.

Section 3. DELETION OF REQUIREMENT TO FULLY PAY INDEBTEDNESS GUARANTEED UNDER THE COLORADO SLOT LEASE GUARANTY. Section 8 (b) of the First Amendment to Credit Agreement shall be and is hereby deleted and of no further force or effect.

Section 4. NO OTHER CHANGES. Except as specifically set forth herein, the Existing Credit Agreement shall remain unchanged and in full force and effect.

Section 5. GOVERNING LAW. This Second Amendment to Credit Agreement shall

be governed by the internal laws of the State of Nevada without reference to conflicts of laws principles.

Section 6. COUNTERPARTS. This Second Amendment to Credit Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any party hereto may execute this Second Amendment to Credit Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Credit Agreement to be executed as of the day and year first above written.

BORROWERS:

HARVEYS CASINO RESORTS,
a Nevada corporation

By: /s/ John J. M Laughlin
John J. McLaughlin,
Treasurer

By: /s/ Diane Shevlin
Diane Shevlin,
Assistant Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS C.C. MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: /s/ Thomas M. Yturbide
Thomas M. Yturbide,
President

By: /s/ William B. Ledbetter
William B. Ledbetter,

Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS IOWA MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: /s/ Thomas M. Yturbide
Thomas M. Yturbide,
President

By: /s/ William B. Ledbetter
William B. Ledbetter,
Secretary

Address:

Highway 50
P.O Box 128
Stateline, Nevada 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

HARVEYS WAGON WHEEL CASINO
LIMITED LIABILITY COMPANY

By: /s/ Franklin K. Rahbeck
Franklin K. Rahbeck,
Board of Managers

By: /s/ Thomas M. Yturbide
Thomas M. Yturbide,
Board of Managers

Address:

Highway 50
P.O. Box 128
Stateline, NV 89449

Telephone: (702) 586-6756
Facsimile: (702) 588-0601

BANKS:

FIRST INTERSTATE BANK OF NEVADA, N.A.,
Agent Bank, Lender, Swingline Lender
and L/C Issuer

By: /s/Joe Brady
Title: Senior Vice President

Address:

One East First Street
Reno, Nevada 89501

Telephone: (702) 334-5633
Facsimile: (702) 334-5637

WELLS FARGO BANK, N.A.,
successor by merger with
FIRST INTERSTATE BANK OF
CALIFORNIA, Lender

By: /s/ Edith R. Lim
Title: Vice President

By: /s/ Arthur McAllister
Title: Vice President

Address:

707 Wilshire Boulevard
W16-20 (MAC 2818-166)
Los Angeles, CA 90017

Telephone: (213) 614-3903
Facsimile: (213) 614-2569

BANK OF THE WEST, Lender

By: /s/ Tom J. Matson
Title: Regional Vice President

Address:

1450 Treat Boulevard
Walnut Creek, CA 94596

Telephone: (510) 942-8675
Facsimile: (510) 256-8276

FIRST SECURITY BANK OF IDAHO, N.A., Lender

By: /s/ David P. Williams
Title: Vice President

Address:

15 East 100 South
2nd Floor
Salt Lake City, UT 84111

Telephone: (801) 246-5540
Facsimile: (801) 246-5532

IMPERIAL BANK, Lender

By: /s/ Steven K. Johnson
Title: Senior Vice President

By: /s/ John F. Farrace
Title: Assistant Vice President

Address:

9920 S. La Cienega
Ingelwood, CA 90301

Telephone: (310) 417-5657
Facsimile: (310) 338-6160

NORWEST BANK OF NEBRASKA, N.A., Lender

By: /s/ Dee Ann Wenger
Title: Assistant Vice President

Address:

1919 Douglas Street
Omaha, NE 68102

Telephone: (402) 536-2576
Facsimile: (402) 536-2251

NBD BANK, Lender

By: /s/ James Junker
Title: Second Vice President

Address:

National Banking Division
Mezzanine Level
611 Woodward Ave.
Detroit, MI 48226

Telephone: (313) 225-1424
Facsimile: (313) 225-2649

SOCIETE GENERALE, Lender

By: /s/ Donald L. Schubert
Title: Vice President

Address:

2029 Century Park East
Suite 2900
Los Angeles, CA 90067

Telephone: (310) 788-7104
Facsimile: (310) 551-1537

THE SUMITOMO BANK, LIMITED,
Chicago Branch, Lender

By: /s/ Bradford E. Chambers
Title: Vice President

By: /s/ David M. Lawrence
Title: Vice President and Manager

Address:

800 W. Sixth Street
Suite 950
Los Angeles, CA 90017

Telephone: (213) 623-7847

Facsimile: (213) 623-4629

U.S. BANK OF NEVADA, Lender

By: /s/ Kurt Imerman
Title: Vice President

Address:

One East Liberty Street
2nd Floor
Reno, NV 89501

Telephone: (702) 688-6589
Facsimile: (702) 688-6597

WEST ONE BANK, IDAHO, Lender

By: /s/ Anthony Olbrich
Title: Senior Vice President

Address:

Corporate Banking, 1-0094
101 S. Capital Blvd.
Boise, ID 83702

Telephone: (208) 383-7606
Facsimile: (208) 383-7563

ARGENTBANK, Lender

By: /s/ Lionel LaGarde
Title: Vice President

Address:

203 West 2nd Street
Thibodaux, LA 70301

Telephone: (504) 447-0552
Facsimile: (504) 447-0604

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