

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

AMERICAN REAL ESTATE PARTNERS, L.P.

(Delayed Public Offering)_____

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on May 5, 2004 and before the Nevada Gaming Commission (“Commission”) on May 20, 2004, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;
IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:
 - a. The application of American Real Estate Partners, L.P. for (i) a two-year approval of a continuous or delayed public offering by it or any affiliated company wholly-owned by it which is or would thereby become a publicly traded corporation (“Affiliate”) and (ii) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of American Real Estate Holdings Limited Partnership, in conjunction with public offerings made under the continuous or delayed public offering approval;

b. The application of American Real Estate Holdings Limited Partnership for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of American Entertainment Properties Corp., in conjunction with public offerings made under the continuous or delayed public offering approval;

c. The application of American Entertainment Properties Corp. for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of American Casino & Entertainment Properties, LLC, in conjunction with public offerings made under the continuous or delayed public offering approval;

d. The application of American Casino & Entertainment Properties LLC for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Charlie's Holding LLC and Stratosphere Corporation, in conjunction with public offerings made under the continuous or delayed public offering approval;

e. The application of Stratosphere Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Stratosphere Gaming Corp., in conjunction with public offerings made under the continuous or delayed public offering approval; and

f. The application of Stratosphere Gaming Corp. for approval to guarantee securities issued by American Real Estate Partners, L.P. or its Affiliate(s), in conjunction with public offerings made under the continuous or delayed public offering approval, and to hypothecate assets to secure payment or performance of obligations evidenced by securities issued by American Real Estate Partners, L.P. or its Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval.

2. THAT for a period of two years American Real Estate Partners, L.P. and its Affiliate(s) are hereby granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the two-year period, American Real Estate Partners, L.P. and its Affiliate(s) shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, American Real Estate Partners, L.P. and its Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division ("Division"), and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other event that would have a material effect on American Real Estate Partners, L.P. or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

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

3. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for any cause deemed reasonable by the Chairman, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(c) above.

4. THAT for a period of two years, American Real Estate Partners, L.P. is hereby granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of American Real Estate Holdings Limited Partnership, in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

5. THAT for a period of two years, American Real Estate Holdings Limited Partnership is hereby granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity

securities of American Entertainment Properties Corp., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

6. THAT for a period of two years, American Entertainment Properties Corp. is hereby granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of American Casino & Entertainment Properties LLC, in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

7. THAT for a period of two years, American Casino & Entertainment Properties LLC is hereby granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Charlie's Holding LLC and Stratosphere Corporation, in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

8. THAT for a period of two years, Stratosphere Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Stratosphere Gaming Corp., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

9. THAT for a period of two years, Stratosphere Gaming Corp. is granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by American Real Estate Partners, L.P. or its Affiliate(s), in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order, and to hypothecate its assets to secure the payment or performance of obligations evidenced by securities issued by American Real Estate Partners, L.P. or its Affiliate(s), in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

ENTERED at Las Vegas, Nevada, this 20th day of May 2004.