

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

RIVIERA HOLDINGS CORPORATION

(Registration)

FIFTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on October 9, 2002, and before the Nevada Gaming Commission (“Commission”) on October 9, 2002, at Carson City, 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 applications of Riviera Holdings Corporation for (i) approval of a public offering, (ii) approval to pledge the equity securities of Riviera Operating Corporation to The Bank of New York, as Trustee, in conjunction with Senior Secured Notes due 2010, and to Foothill Capital Corporation, in conjunction with a credit agreement, (iii) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Riviera Operating Corporation, in conjunction with Senior Secured Notes 2010 and a credit agreement and (iv) an amendment to its Fourth Revised Order of Registration; and

b. The application of Riviera Operating Corporation for approval to guarantee securities and hypothecate assets in conjunction with Senior Secured Notes due 2010.

2. THAT the Fourth Revised Order of Registration, dated May 25, 2000, is hereby amended and restated, in its entirety, by this Fifth Revised Order of Registration.

3. THAT Riviera Holdings Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Riviera Operating Corporation.

4. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to conduct nonrestricted gaming operations, including a race book, at 2901 Las Vegas Boulevard South, Las Vegas.

5. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to conduct off-track pari-mutuel wagering at 2901 Las Vegas Boulevard South, Las Vegas.

6. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to receive a percentage of sports pool gaming revenue from the sports pools which participate with Leroy's Horse and Sports Place, Inc. dba Leroy's Horse and Sports Place.

7. THAT Riviera Operating Corporation is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

8. THAT Riviera Holdings Corporation is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of 11% Senior Secured Notes due 2010 ("Senior Notes") as more fully described in and pursuant to the Securities and Exchange Commission ("SEC") Form S-4 Registration Statement (SEC Registration No. 333-97907).

9. THAT the approvals set forth in Paragraph 8 above are specifically conditioned as follows:

a. That Riviera Holdings Corporation shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offering

and as to any other event that would have a material effect on Riviera Holdings Corporation or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

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

10. 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, in his sole discretion, which shall remain in effect until lifted by the Commission as provided in Paragraph 9(b) above.

11. THAT Riviera Holdings Corporation is granted approval, pursuant to NRS 463.510(1), to pledge the equity securities of Riviera Operating Corporation to The Bank of New York, as Trustee, in conjunction with the Senior Notes, and to Foothill Capital Corporation, in conjunction with the Loan and Security Agreement, dated as of July 26, 2002 ("Credit Agreement"); provided that:

a. This approval is pursuant to the fully executed Stock Pledge and Security Agreement between Riviera Holdings Corporation and The Bank of New York, dated as of June 26, 2002 ("Pledge Agreement re: The Bank of New York"), the Stock Pledge and Security Agreement between Riviera Holdings Corporation and Foothill Capital Corporation, dated as of July 26, 2002 ("Pledge Agreement re: Foothill Capital Corporation"), and the Intercreditor Agreement, dated as of July 26, 2002 ("Intercreditor Agreement")

b. The prior approval of the Commission must be obtained before any foreclosure of the possessory security interest in the equity securities of Riviera Operating Corporation (except back to Riviera Holdings Corporation), and before any other resort to such equity security collateral or other enforcement of the security interest in such equity securities, may occur; and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of Riviera Operating Corporation evidencing said pledge of the equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

12. THAT the Pledge Agreement re: The Bank of New York and the Pledge Agreement re: Foothill Capital Corporation shall not be further amended without the prior administrative approval of the Chairman of the Board or his designee. Such administrative approval may not be granted regarding amendments to the pledge agreements that increase the shares that are the subject of the pledge or that change the identity of the secured party.

13. THAT in conjunction with the Indenture governing the Senior Notes, the Credit Agreement, the Pledge Agreement re: The Bank of New York, the Pledge Agreement re: Foothill Capital Corporation and the Intercreditor Agreement, Riviera Holdings Corporation is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Riviera Operating Corporation

14. THAT in conjunction with the public offering of the Senior Notes, Riviera Operating Corporation is granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by Riviera Holdings Corporation and to hypothecate its assets to secure the payment or performance of obligations evidenced by the securities issued by Riviera Holdings Corporation.

15. THAT Riviera Holdings Corporation shall establish and maintain a Gaming Compliance Plan ("Plan") for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Riviera Holdings Corporation, its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, the Commission's Regulations

(the "Regulations"), as amended, and the laws and regulations of any other jurisdictions in which Riviera Holdings Corporation, its subsidiaries and any affiliated entities operate. The Plan, any amendments thereto, and the members of the gaming compliance committee, one such member who shall be independent and knowledgeable of the Act and Regulations, shall be administratively reviewed and approved by the Chairman of the Board or his designee. Riviera Holdings Corporation shall amend the Plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board or his designee related to a review of activities relevant to the continuing qualification of Riviera Holdings Corporation under the provisions of the Act and Regulations.

16. THAT Riviera Holdings Corporation shall fund and maintain with the Board a revolving fund in the amount of \$15,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of Riviera Holdings Corporation, Riviera Operating Corporation and their affiliated entities.

17. THAT pursuant to NRS 463.625, Riviera Holdings Corporation is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

18. THAT pursuant to NGC Regulations 15.489.2-1 and 15.624.1, Riviera Holdings Corporation is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

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

ENTERED at Carson City, Nevada, this 24th day of October 2002.