

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

SAHARA GAMING CORPORATION
and
SANTA FE HOTEL INC.

(Registration)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on November 4, 1993, and before the Nevada Gaming Commission ("Commission") on November 18, 1993, 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 applications of Santa Fe Hotel Inc. for approval to make a public offering of Units consisting of up to an aggregate of \$110,000,000 First Mortgage Notes due 2000 and Warrants to acquire up to \$20,000,000 of First Mortgage Notes due 2000 and to guarantee such securities or to hypothecate its assets to secure the payment or performance of any obligations evidenced by such securities; and

b. The application of Sahara Gaming Corporation to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Santa Fe Hotel Inc.;

2. THAT Santa Fe Hotel Inc. is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of Units consisting of up to an aggregate of \$110,000,000 First Mortgage Notes due 2000 and Warrants to acquire up to \$20,000,000 of First Mortgage Notes due 2000 (collectively, "First Mortgage Notes due 2000") as more fully described in the Securities and Exchange Commission ("SEC") Form S-1 Registration Statement (SEC Registration No. 33-70268) ("Registration Statement").

3. THAT the approval set forth in paragraph 2 is specifically conditioned as follows:

a. That Sahara Gaming Corporation and Santa Fe Hotel, Inc. 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 may have a material effect on Sahara Gaming Corporation and Santa Fe Hotel Inc., or their subsidiaries, which would be subject to reporting on SEC Form 8-K; and

b. That the approval granted herein may be rescinded without prior notice upon issuance of an interlocutory stop order by the Chairman of the Board.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

4. That Sahara Gaming Corporation is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Santa Fe Hotel Inc. in connection with the public offering of the First Mortgage Notes due 2000.

5. THAT Santa Fe Hotel Inc. is hereby granted approval, pursuant to NGC Regulation 16.100(3), to guarantee its First Mortgage Notes due 2000, or to hypothecate its

assets to secure the payment or performance of any obligations evidenced by the First Mortgage Notes due 2000.

6. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 3(b) above.

7. THE Commission hereby delegates to the Chairman of the Board the authority to administratively approve an increase in the amount of the public offering approved by paragraph 2; provided that the Chairman of the Board finds that such increase does not constitute a material change from the public offering approved hereby. For purposes hereof only, an increase of 10% or less in the amount of the public offering shall not be deemed a material change.

8. THAT Santa Fe Hotel Inc. is granted sixty (60) calendar days from the date of this Order to have the Registration Statement declared effective by the SEC. If the Registration Statement is not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the Board, or his designee, then this Order and all of the approvals, terms and provisions herein shall be deemed withdrawn and rendered null and void.

ENTERED at Las Vegas, Nevada, this 18th day of November 1993.