

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

COAST CASINOS, INC. and
COAST HOTELS AND CASINOS, INC.

(Registration)

SEVENTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on July 10, 2002, and before the Nevada Gaming Commission ("Commission") on July 25, 2002, 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 Coast Casinos, Inc., and Coast Hotels and Casinos, Inc., for an amendment to their Orders of Registration to: (i) reflect the name change of Coast Resorts, Inc., to Coast Casinos, Inc., (ii) include the nonrestricted license (sports pool only) of Coast Hotels and Casinos, Inc., at Renata's Supper Club, (iii) provide conditional termination of the requirement that Coast Casinos, Inc., report transfers of its equity securities and (iv) remove prior approvals which are no longer necessary.

b. The application of Coast Hotels and Casinos, Inc., dba Gold Coast Hotel and Casino, db at Renata's Supper Club, for a nonrestricted gaming license (sports pool only).

2. THAT the Sixth Revised Orders of Registration of Coast Resorts, Inc., and Coast Hotels and Casinos, Inc., dated August 24, 2000, are hereby amended and restated, in their entirety, by these Seventh Revised Orders of Registration.

3. THAT Coast Casinos, Inc. (fka Coast Resorts, Inc.) is registered as a publicly traded corporation and is found suitable as the sole shareholder of Coast Hotels and Casinos, Inc.

4. THAT Coast Hotels and Casinos, Inc., is registered as a publicly traded corporation.

5. THAT Coast Hotels and Casinos, Inc., dba Gold Coast Hotel and Casino, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 4000 West Flamingo Road, Las Vegas, subject to such conditions and limitations as may be imposed by the Commission.

6. THAT Coast Hotels and Casinos, Inc., dba Barbary Coast Hotel and Casino, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3595 Las Vegas Boulevard South, Las Vegas, subject to such conditions and limitations as may be imposed by the Commission.

7. THAT Coast Hotels and Casinos, Inc., dba Orleans Hotel and Casino, is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at 4500 West Tropicana Avenue, Las Vegas, subject to such conditions and limitations as may be imposed by the Commission.

8. THAT Coast Hotels and Casinos, Inc., dba Suncoast Hotel and Casino, is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at 9090 Alta Drive, Las Vegas, subject to such conditions and limitations as may be imposed by the Commission.

9. THAT Coast Hotels and Casinos, Inc., dba Gold Coast Hotel and Casino, is licensed to conduct nonrestricted gaming operations (sports pool only), db at Union Plaza Hotel & Casino, 1 Main Street, Las Vegas, and db at Renata's Supper Club – Sports Pool, 4451 East Sunset Road, Henderson, subject to such conditions and limitations as may be imposed by the Commission.

10. THAT Michael John Gaughan, John Tito Tiberti, and Jerry Edward Herbst are each found suitable, pursuant to NRS 463.643, as shareholders of Coast Casinos, Inc., and are each found suitable, pursuant to NGC Regulation 16.400, as controlling shareholders of Coast Casinos, Inc.

11. THAT Coast Casinos, Inc., is granted approval, pursuant to NRS 463.510(1) and NGC Regulation 8.030(4), to pledge the equity securities of Coast Hotels and Casinos, Inc. to Bank of America N.A. pursuant to the Pledge Agreement draft dated August 31, 1999, provided that:

a. The prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interest in such equity securities (except back to Coast Casinos, Inc.) and before any other resort to such equity securities collateral or other enforcement of the security interest in such equity securities may occur; and

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

12. THAT in conjunction with the Bank of America N.A. credit agreement, Coast Casinos, Inc., is granted approval, pursuant to NGC Regulation 15.510.1-4(a), to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Coast Hotels and Casinos, Inc.

13. THAT Coast Casinos, Inc., and Coast Hotels and Casinos, Inc., shall establish and maintain a gaming compliance program 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 Coast Casinos, Inc., and Coast Hotels and Casino, Inc., and their 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 Coast Casinos, Inc., and Coast Hotels and Casinos, Inc., its subsidiaries and any affiliated entities operate. The gaming compliance program, 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. Furthermore, upon request of the Chairman of the Board or his designee, Coast Casinos, Inc., and Coast Hotels and Casinos, Inc., shall amend the gaming compliance program, 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 Coast Casinos, Inc., and Coast Hotels and Casinos, Inc., or any of its subsidiaries under the provisions of the Act and Regulations.

14. THAT Coast Casinos, Inc., shall fund and maintain with the Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of these Orders 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 Coast Casinos, Inc., Coast Hotels and Casinos, Inc., their subsidiaries and their affiliated entities.

15. THAT pursuant to NRS 463.625, Coast Casinos, Inc., 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.

16. THAT Coast Casinos, Inc., is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

17. THAT, except as otherwise provided in Paragraph 18 and 19, Coast Hotels and Casinos, Inc., is hereby exempted from compliance with NGC Regulation 15 except for the provisions of Regulations 15.585.4-1, 15.585.7-4 and 15.585.7-6 and shall instead comply with NGC Regulation 16, except Coast Hotels and Casinos, Inc., is exempted, pursuant to NGC Regulation 16.450, from NGC Regulation 16.100(1) and (2), and the balance of NGC Regulation 16 shall be interpreted so as to apply to Coast Hotels and Casinos, Inc.

18. THAT Coast Casinos, Inc., shall not sell, assign, transfer, pledge or otherwise dispose of any equity securities of Coast Hotels and Casinos, Inc., without the prior approval of the Commission.

19. THAT, within 30 days of any sale, assignment, transfer, pledge or other disposition of any equity securities of Coast Casinos, Inc., or within 30 days of Coast Casinos, Inc., issuing any equity securities, Coast Casinos, Inc., shall provide written notice to the Board which identifies the parties to the transaction, the number of shares subject to the transaction, and such other information as may be requested by the Chairman of the Board or his designee. The requirements imposed by this paragraph will be terminated upon Coast Casinos, Inc.'s public offering of any equity securities.

20. 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 Las Vegas, Nevada, this 25th day July 2002.