

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

COAST RESORTS, INC.
AND
COAST HOTELS AND CASINOS, INC.

(Registration) _____

THIRD REVISED ORDERS OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on November 7, 1996, and before the Nevada Gaming Commission ("Commission") on November 21, 1996, 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, of Coast Hotels and Casinos, Inc. and Coast Resorts, Inc., as appropriate, have been filed:
 - a. For an amendment to their Orders of Registration; and
 - b. The application of Coast Hotels and Casinos, Inc., dba Orleans Hotel and Casino for licensure to conduct off-track pari-mutuel wagering and nonrestricted gaming activities, including a race book and sports pool.

2. THAT the Second Revised Orders of Registration of Coast Resorts, Inc., dated May 23, 1996, are hereby amended and restated, in their entirety, by these Third Revised Orders of Registration.

3. THAT Coast Resorts, Inc. is registered as a publicly traded corporation and is found suitable as the sole stockholder 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. is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, dba Gold Coast Hotel and Casino at 4000 West Flamingo Road, Las Vegas, subject to such conditions and limitations imposed by the Commission.

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

7. THAT Coast Hotels and Casinos, Inc. is licensed to conduct nonrestricted gaming operations (race book and sports pool only), dba Barbary Coast Hotel and Casino, dba at The Beach Race Book and Sports Pool, 365 Convention Center Drive, Las Vegas, subject to such conditions and limitations imposed by the Commission.

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

9. THAT Michael John Gaughan, John Tito Tiberti, and Jerry Edward Herbst are each found suitable, pursuant to NRS 463.643, as stockholders of Coast Resorts, Inc., and are

each found suitable, pursuant to NGC Regulation 16.400, as controlling stockholders of Coast Resorts, Inc.

10. THAT Coast Hotels and Casinos, Inc. is granted approval pursuant to NGC Regulation 16.110 to make a public offering of up to \$175,000,000 aggregate principal amount of 13% First Mortgage Notes due 2002 ("Notes") as described in the Securities and Exchange Commission ("SEC") Form S-4 Registration Statement (SEC Registration No. 333-4356) ("Registration Statement").

11. THAT the approvals set forth in paragraph 10 above are specifically conditioned as follows:

a. That Coast Hotels and Casinos, 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 would have a material effect on Coast Hotels and Casinos, Inc. 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.

12. 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 11(b) above.

13. THAT Coast Resorts, Inc. is granted approval, pursuant to NRS 463.510(1), and NGC Regulation 8.030(4), to pledge the common stock of Coast Hotels and Casino, Inc. to American Bank National Association pursuant to the Stock Pledge and Security Agreement dated January 30, 1996, provided, (a) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interest in such common stock (except back to Coast Resort, Inc.) and before any other resort to such common stock collateral

or other enforcement of the security interest in such common stock, may occur; and (b) pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the common stock certificates of Coast Hotels and Casinos, Inc. evidencing said pledge of the common stock 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.

14. THAT in conjunction with the issuance of the Notes, Coast Resorts, 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.

15. THAT Coast Resorts, Inc. and Coast Hotels and Casinos, Inc. are each granted approval pursuant to NGC Regulation 16.100(3) to guarantee securities issued by Coast Hotels and Casinos, Inc. and to hypothecate the assets of Coast Hotels and Casinos, Inc. to secure the payment or performance of any obligations evidenced by securities issued by Coast Hotels and Casinos, Inc. pursuant to the public offering made under the approval granted by paragraph 10 of these Third Revised Orders of Registration.

16. THAT Coast Resorts, 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 Third Revised Order's 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, including foreign gaming activities, of Coast Resorts, Inc., Coast Hotels and Casinos, Inc., their subsidiaries and their affiliated entities.

17. THAT pursuant to NRS 463.625, Coast Resorts, 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.

18. THAT Coast Resorts, Inc. is exempted form NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

19. THAT 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 Regulation 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.

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 21st day of November 1996.