

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

IGT

(Waiver of NGC Reg. 5.115(1), (4) and (5)(d) and Related Conditions)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on February 10, 1999 and before the Nevada Gaming Commission ("Commission") on February 25, 1999, 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 IGT has filed an application, as amended and supplemented, for a waiver of NGC Regulations 5.115(1), (4) and (5)(d), pursuant to NGC Regulation 5.115(11).

2. THAT IGT is granted a waiver of NGC Regulations 5.115(1), (4) and (5)(d), pursuant to NGC Regulation 5.115(11), but such waiver is limited to expire at midnight of the regular July 1999 Commission meeting and is conditioned as follows:

a. For the purpose of this section, the following words have the following meanings:

- (i) "Periodic Payments" have the meaning as defined in NGC Regulation 5.115(2)(a).

- (ii) "Total Winnings" means the sum of the Periodic Payments awarded to a patron as the result of any licensed game, including wide area progressive jackpot systems.
- (iii) "Qualified Prize" means Total Winnings, whereby the series of payments are payable over a period of at least ten (10) years.
- (iv) "Qualified Prize Option" means an option that entitles a patron to receive a single cash payment in lieu of their Qualified Prize, provided such option is exerciseable not later than sixty (60) days after validation of the jackpot win.
- (v) "Approved Funding Sources" means U.S. Government Treasury Securities ("U.S. Treasuries").

b. IGT shall disclose the Total Winnings awarded to a patron as a result of any licensed game, including its wide area progressive jackpot systems, and the terms by which the Periodic Payments will be provided, upon validation of the jackpot win.

- (i) IGT shall provide a Qualified Prize Option to the patron within five (5) business days following the validation of the win.
- (ii) The Qualified Prize Option shall include disclosure of the methodology used to compute the single cash payment, including the discount rate that makes equivalent the present value of the prize to which the prize winner is entitled and the single cash payment offered.
- (iii) IGT shall disclose to the patron that the patron is under no obligation to accept any offer of a single cash payment and may continue to receive the Periodic Payments to which the patron is entitled under the terms of the licensed game.

(iv) For purposes of the interim period covered by this Order, a single cash payment shall be calculated as follows:

(a) IGT shall obtain quotes from Approved Funding Sources at least three (3) times per month. The quote selected by IGT shall be used to calculate the single cash payment for all Qualified Prizes that occur subsequent to the date of the selected quote, until a new quote becomes effective.

(b) For winners of Qualified Prizes won after October 21, 1998, but on or before November 19, 1998 the single cash payment offered to the patron shall be equal to the amount required to fund the Periodic Payments, or the first quote selected by IGT pursuant to the November 19, 1998 Order, whichever occurs first, less any payments previously paid to the winner.

c. Upon timely election by the patron, IGT shall have thirty (30) days from the date of election to fund the periodic payments.

d. IGT may make the first payment upon validation of the win even though the patron may later exercise a Qualified Prize Option. The initial payment shall not to be construed as a forced selection that requires the patron to receive Periodic Payments.

e. Solely in connection with matters involving the foregoing waiver and conditions, IGT must execute within fifteen (15) calendar days here from an appropriate document which shall irrevocably and unconditionally remise, release, indemnify and forever discharge the State of Nevada, the Nevada Gaming Commission and the State Gaming Control Board, and their members, employees, agents and representatives, of and from any and all claims, actions, causes of actions, losses, damages, liabilities, costs, expenses, and suits of any nature whatsoever, in law or equity, including reasonable attorneys fees, arising from any act or

omission of the Nevada Gaming Commission and the State Gaming Control Board, and their members, employees, agents and representatives.

f. Any failure of IGT to maintain full compliance at all times with each and every condition set forth hereinabove, or any failure of IGT to immediately notify the Chairman of the Board or his designee of any deficiencies, shall constitute an unsuitable method of operation and may subject IGT to the institution of appropriate disciplinary proceedings.

3. THAT, the Commission hereby expressly finds that the waivers hereby granted are consistent with the public policy set forth in NRS 463.0129.

ENTERED at Carson City, Nevada, this 25th day of February 1999.