

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

INNOVATIVE GAMING CORPORATION OF AMERICA

(Registration) _____

REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on August 7, 1996, and before the Nevada Gaming Commission ("Commission") on August 22, 1996, 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, of Innovative Gaming Corporation of America have been filed:

- a. For approval to conduct a public offering; and
- b. For an amendment to its Order of Registration.

2. THAT the Order of Registration, dated May 23, 1996, is hereby amended and restated, in its entirety, by this Revised Order of Registration.

3. THAT Innovative Gaming Corporation of America is registered as a publicly traded corporation and is found suitable as the sole stockholder of Innovative Gaming, Inc.

4. THAT Grand Casinos, Inc. is found suitable, pursuant to NGC Regulation 16.400, as a controlling stockholder of Innovative Gaming Corporation of America.

5. THAT Innovative Gaming, Inc. is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

6. THAT Innovative Gaming, Inc. is licensed as an operator of a slot machine route, provided, however, that such license shall not be issued, unless and until, the Chairman of the Board, or his designee, has determined that Innovative Gaming, Inc. has obtained firm commitments to place slot machines at three licensed locations, upon issuance of the license in accordance with NGC Regulation 4.030.1(b)(1).

7. THAT, pursuant to NGC Regulation 4.080(3), the time limitations provided in NGC Regulation 4.080(1) are, until the regularly scheduled Commission meeting in May of 1997, hereby waived specifically and only as they relate to Innovative Gaming, Inc.'s compliance with the provisions of NGC Regulation 4.030.1(b)(1).

8. THAT Innovative Gaming Corporation of America is granted approval pursuant to NGC Regulation 16.110 to make a public offering of up to 500,000 shares of its \$0.01 par value common stock ("Common Stock") and up to 125,000 Redeemable Common Stock Purchase Warrants ("Warrants") pursuant to and as more fully described in the Securities and Exchange Commission ("SEC") Form S-3 Registration Statement, as amended, (SEC Registration No. 33-5523) ("Registration Statement").

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

a. That Innovative Gaming Corporation of America 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 Innovative Gaming Corporation of America 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. 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 9(b) above.

11. THAT 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 8; provided, that the Chairman of the Board finds that such increase does not constitute a material change from the public offering approved hereby. For the purposes hereof only, an increase of 10% or less in the number of shares of Common Stock and Warrants offered in connection with the public offering shall not be deemed a material change.

12. THAT Innovative Gaming Corporation of America is granted sixty (60) days from the date of this Revised Order of Registration 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 Revised Order of Registration and all of the approvals, terms and provisions therein shall be deemed withdrawn and rendered null and void, and the Order of Registration dated May 23, 1996, shall be effective.

13. THAT Innovative Gaming Corporation of America shall establish and maintain a gaming compliance program 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 the compliance of Innovative Gaming Corporation of America, its subsidiaries and any affiliated entities with the Nevada Gaming Control Act ("the Act"), as amended, and the Commission's Regulations ("the Regulations"), as amended. The Plan, any

amendments thereto, and the members of the compliance committee 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, Innovative Gaming Corporation of America 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 Innovative Gaming Corporation of America, under the provisions of the Act and Regulations.

14. THAT Innovative Gaming Corporation of America 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 this Revised 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 Innovative Gaming Corporation of America, its subsidiaries and any affiliated entities.

15. THAT, pursuant to NRS 463.625, Innovative Gaming Corporation of America is exempted from compliance with NRS 463.585 through 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

16. THAT Innovative Gaming Corporation of America is exempted from NGC Regulation 15 and shall instead comply with provisions of NGC Regulation 16.

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

ENTERED at Carson City, Nevada, this 22nd day of August 1996.