

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

MGM GRAND, INC.

(Registration)\_\_\_\_\_

SECOND REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on July 10, 1996, and before the Nevada Gaming Commission ("Commission") on July 25, 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 applications, as amended and supplemented, of MGM Grand, Inc. for approval to pledge all of the common stock of MGM Grand Hotel, Inc., for approval to place restrictions upon the transfer of, and to enter into an agreement not to encumber, the common stock of MGM Grand Hotel, Inc. and for an amendment to its First Revised Order of Registration have been filed.

2. THAT the First Revised Order of Registration of MGM Grand, Inc. dated November 18, 1993, is hereby amended and restated, in its entirety, by this Second Revised Order of Registration.

3. THAT MGM Grand, Inc. is registered as a publicly traded corporation and is found suitable as the sole stockholder of MGM Grand Hotel, Inc.

4. THAT Tracinda Corporation is registered as a holding company and is found suitable as a controlling stockholder of MGM Grand, Inc.

5. THAT Kirk Kerkorian is found suitable as a controlling stockholder of MGM Grand, Inc.

6. THAT MGM Grand Hotel, Inc., dba MGM Grand Hotel/Casino is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at 3799 Las Vegas Boulevard South, Las Vegas.

7. THAT MGM Grand Hotel, Inc. is licensed as a manufacturer.

8. THAT MGM Grand Hotel, Inc. is licensed as a distributor.

9. THAT MGM Grand, Inc. is granted approval, pursuant to NRS 463.510(1), to pledge the common stock of MGM Grand Hotel, Inc. to Continental Bank, N.A., as Collateral Agent, provided that:

a. The prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to MGM Grand, Inc.) and before any other resort to such common stock collateral or other enforcement of the security interests in such common stock may occur; and

b. Pursuant to NGC Regulation 15.510.1-3 and 8.030(4)(a), the common stock certificates of MGM Grand Hotel, Inc. evidencing said pledges of 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.

10. THAT MGM Grand, Inc. is granted approval, pursuant to NGC Regulation 15.510.1-4(a), to place restrictions upon the transfer of, and to enter into an agreement not to encumber, the common stock of MGM Grand Hotel, Inc., only in connection with the public

offering by MGM Grand Hotel Finance Corp. of \$200 million 11 3/4% First Mortgage Notes due 1999 and \$230 million 12% First Mortgage Notes due 2002 (collectively, the "First Mortgage Notes").

11. THAT MGM Grand Hotel, Inc. is granted approval, pursuant to NGC Regulation 16.100(3), to guarantee the First Mortgage Notes or to hypothecate its assets to secure the payment or performance of any obligation evidenced by the First Mortgage Notes.

12. THAT, in conjunction with the \$500 million Senior Secured Reducing Revolving Credit Facility ("Credit Facility"), MGM Grand, Inc. is granted approval, pursuant to NRS 463.510(1), to pledge all of the common stock of MGM Grand Hotel, Inc. to Bank of America National Trust and Savings Association, as Administrative Agent, ("Bank of America") pursuant to the Pledge Agreement dated as of July 1, 1996, provided that:

a. The prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to MGM Grand, Inc.) and before any other resort to such common stock collateral or other enforcement of the security interests 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 MGM Grand Hotel, Inc. evidencing said pledges of 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.

13. THAT, the Pledge Agreement shall not be amended without the prior administrative approval of the Chairman of the Board, or his designee. Such administrative approval may not be granted regarding amendments that increase the number of shares of common stock that are the subject of the pledge, or that change the identity of the secured party.

14. THAT, in conjunction with the Credit Facility, MGM Grand, Inc. is granted approval, pursuant to NGC Regulation 15.510.1-4(a), to place restrictions upon the transfer of, and to enter into an agreement with Bank of America not to encumber, the common stock of MGM Grand Hotel, Inc.

15. THAT MGM Grand, 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 this Second Revised Order of Registration and any amendments thereto. 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 MGM Grand, Inc. and MGM Grand Hotel, Inc., their subsidiaries and their affiliated companies.

16. THAT pursuant to NRS 463.625, MGM Grand, 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.

17. THAT MGM Grand, Inc. is exempted from NGC Regulation 15 and shall instead comply with NGC Regulation 16.

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

19. Paragraphs 13, 14, and 15 of this Second Revised Order of Registration shall not be effective, unless and until:

a. The full defeasance of the First Mortgage Notes is accomplished, pursuant to and as more fully described in Article 8 of the Indenture dated May 2, 1992, of MGM Grand Hotel Finance Corp. as Issuer, MGM Grand, Inc. as Guarantor, and MGM Grand Hotel, Inc. as Obligor; and

b. The Second Closing Date of the Credit Facility occurs, pursuant to and as more fully described in Section 8.2 of the Loan Agreement dated as of July 1, 1996, of MGM

Grand Inc. as Borrower and MGM Grand Hotel Inc. as Guarantor. Upon the satisfaction of the conditions precedent described in (a) and (b) above and the resulting effectiveness of Paragraphs 13, 14 and 15, then Paragraphs 10, 11 and 12 shall no longer be effective and the terms and conditions therein shall be rendered null and void.

ENTERED at Las Vegas, Nevada, this 25<sup>th</sup> day of July 1996.