

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

RIVIERA HOLDINGS CORPORATION

(Registration)

FOURTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on May 10, 2000, and before the Nevada Gaming Commission (“Commission”) on May 25, 2000, 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 application of Riviera Holdings Corporation for an amendment to its Third Revised Order of Registration to reflect the termination of the management agreement relative to the Four Queens and the removal of certain non-gaming entities from its Third Revised Order of Registration;

2. THAT the Third Revised Order of Registration, dated November 20, 1997, is hereby amended and restated, in its entirety, by this Fourth Revised Order of Registration.

3. THAT Riviera Holdings Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Riviera Operating Corporation.

4. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to conduct nonrestricted gaming operations, including a race book, at 2901 Las Vegas Boulevard South, Las Vegas.

5. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to conduct off-track pari-mutuel wagering at 2901 Las Vegas Boulevard South, Las Vegas.

6. THAT Riviera Operating Corporation, dba Riviera Hotel & Casino, is licensed to receive a percentage of sports pool gaming revenue from the sports pools which participate with Leroy's Horse and Sports Place, Inc. dba Leroy's Horse and Sports Place.

7. THAT Riviera Operating Corporation is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

8. THAT Riviera Holdings Corporation is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of up to \$175,000,000 10% First Mortgage Notes due 2004 ("Notes") as more fully described in and pursuant to the Securities and Exchange Commission ("SEC") Form S-4 Registration Statement (SEC Registration No. 333-35291) ("Registration Statement").

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

a. That Riviera Holdings Corporation 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 Riviera Holdings Corporation 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. THAT 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 Riviera Holdings Corporation is granted approval, pursuant to NRS 463.510(1), to pledge the equity securities of Riviera Operating Corporation (the "Riviera Operating Corporation Pledge") to Norwest Bank Minnesota, National Association, as collateral agent ("Norwest") as security for the 10% First Mortgage Notes due 2004 of Riviera Holdings Corporation; provided that:

a. This approval is pursuant to the fully executed Stock Pledge and Security Agreement that includes the Riviera Operating Corporation Pledge dated August 13, 1997;

b. The prior approval of the Commission must be obtained before any foreclosure of the possessory security interest in the equity securities of Riviera Operating Corporation (except back to Riviera Holdings Corporation), and before any other resort to such equity security collateral or other enforcement of the security interest in such equity securities, may occur; and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the common stock certificates of Riviera Operating Corporation evidencing said Riviera Operating Corporation Pledge 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.

12. THAT Riviera Holdings Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and agree not to encumber, the equity securities of Riviera Operating Corporation in conjunction with the public offering approvals contained in Paragraph 8 and the issuance of \$175,000,000 aggregate principal amount of 10% First Mortgage Notes due 2004 in a private placement on August 13, 1997 (the "Private Placement").

13. THAT Riviera Operating Corporation is granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by, and hypothecate its assets to secure the payment or performance of any obligations evidenced by securities issued by Riviera Holdings Corporation in the public offering.

14. THAT Riviera Holdings Corporation, within 90 days of this Fourth Revised Order of Registration, shall revise its presently existing gaming compliance program ("Revised 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 Riviera Holdings Corporation, its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, the Commission's Regulations, as amended (the "Regulations"), and the laws and regulations of any other jurisdictions in which Riviera Holdings Corporation, its subsidiaries and any affiliated entities operate. The Revised Program, any amendments thereto, and the members, one such member which shall be independent and knowledgeable in gaming regulations, shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Riviera Holdings Corporation shall amend the Revised 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 Riviera Holdings Corporation under the provisions of the Act and Regulations.

15. THAT Riviera Holdings Corporation shall fund and maintain with the Board a revolving fund in the amount of \$15,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this 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 Riviera Holdings Corporation, Riviera Operating Corporation and their affiliated entities.

16. THAT pursuant to NRS 463.625, Riviera Holdings Corporation 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 pursuant to NGC Regulations 15.489.2-1 and 15.624.1, Riviera Holdings Corporation is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

18. 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 25<sup>th</sup> day of May 2000.