

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

THE SANDS REGENT

(Registration)_____

THIRD REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on June 5, 1996, and before the Nevada Gaming Commission ("Commission") on June 19, 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 application, as amended and supplemented, of The Sands Regent for an amendment to its Order of Registration to reflect the change of the dba name of the Zante, Inc. slot route operations from the Sands Regency and Mr. C's to Pericles Distributing has been filed.

2. THAT the Second Revised Order of Registration of The Sands Regent entered on December 21, 1995, is hereby amended and restated, in its entirety, by this Third Revised Order of Registration.

3. THAT The Sands Regent is registered as a publicly traded corporation and found suitable as the sole shareholder of Zante, Inc.

4. THAT Zante Inc., dba The Sands Regency and Mr. C's is licensed as a distributor and to conduct nonrestricted gaming operations at 345 North Arlington Avenue, Reno, subject to such conditions and limitations as may be imposed by the Commission.

5. THAT Zante, Inc., dba Pericles Distributing, is licensed as an operator of a slot machine route, subject to such conditions or limitations as may be imposed by the Commission.

6. THAT Pete Cladianos, Jr., Pete Cladianos III, John Cladianos, The Trust of Antonio Cladianos II, Katherene Johnson Latham, and Deborah Johnson Lundgren are each found suitable as shareholders of The Sands Regent.

7. THAT except for public offerings subject to NGC Regulations 16.110 or 16.115, any offer for the sale of any equity security shall be void without the prior administrative approval of the Chairman of the Board or his designee. Such approval shall be deemed granted if an application for the same has been filed with the Chairman of the Board for at least 30 days and he has not ordered an extension of time or issued a stop order during such period.

8. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause pertaining to any equity security subject to paragraph 6 above. Any stop order so issued may be reviewed by the Commission.

9. THAT all equity securities of The Sands Regent issued after November 15, 1984, shall bear a statement which shall be substantially as follows:

"Beneficial owners of the voting securities issued by this corporation are subject to the regulatory provisions of the Nevada Gaming Control Act (NRS 463.010, et seq.) and the regulations of the Nevada Gaming Commission. If at any time the Nevada Gaming Commission finds a beneficial owner of such securities to be unsuitable to hold such securities, the beneficial owner must dispose of the securities. The laws and gaming regulations of the State of Nevada restrict the rights of a beneficial owner under certain circumstances (i) to receive any dividend or interest upon such securities, or (ii) to exercise directly or indirectly

any voting rights conferred by such securities, or (iii) to receive any remuneration in any form from the corporation for services rendered or otherwise."

10. THAT The Sands Regent 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 and provisions of this Third 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, including public offerings, of The Sands Regent and Zante, Inc., and their affiliated companies.

11. THAT pursuant to NRS 463.625, The Sands Regent is hereby exempted from compliance with NRS 463.585(1), (2), (6), and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through 463.645, inclusive.

12. THAT The Sands Regent is hereby exempt from NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

13. THAT the Commission 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 Carson City, Nevada, this 19th day of June 1996.