

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

STRATOSPHERE CORPORATION

(Public Offering)

ORDER

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") on August 24, 1994, at Carson City, Nevada and regularly for hearing before the Nevada Gaming Commission ("Commission") on August 25, 1994, at Carson City, Nevada and specially before the Commission on September 8, 1994 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 application of Stratosphere Corporation for approval of a public offering pursuant to NGC Regulation 16.118, as amended and supplemented, has been filed.

2. THAT Stratosphere Corporation is granted approval, pursuant to NGC Regulation 16.118, to make a public offering of up to 210,000 Units consisting of (i) \$210,000,000 principal amount of First Mortgage Notes due 2004 ("Notes") and (ii) Class B Warrants to purchase shares of Common Stock, \$0.01 par value, together with such number of shares of Common Stock issuable upon exercise of the Class B Warrants and Guarantees of the Notes by Stratosphere Gaming Corp., as more fully described in the Securities and

Exchange Commission ("SEC") Form S-1 Registration Statement (SEC Registration No. 33-81286), as amended ("Registration Statement").

3. THAT the approval set forth in paragraph 2 is specifically conditioned as follows:

a. That Stratosphere 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 may have a material effect on Stratosphere Corporation or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

b. That the approval granted herein may be rescinded without prior notice upon issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until it is lifted by the Commission upon such terms as are satisfactory to the Commission.

4. 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 3(b).

5. 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 2; provided that the Chairman of the Board finds that such increase does not constitute a material change from the public offering approved hereby. For purposes hereof only, an increase of 10% or less in the amount of the public offering shall not be deemed a material change.

6. THAT Stratosphere Corporation is granted sixty calendar days from the date of this Order 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 Order and all of the approvals, terms and provisions herein shall be deemed withdrawn and rendered null and void.

7. THAT the approval set forth in paragraph 2 does not include a finding regarding the suitability of the stockholders, directors, officers, employees, or individuals involved or associated with Stratosphere Corporation.

8. THAT Stratosphere Corporation shall fund and maintain with the Board a revolving fund in the amount of \$5,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order. 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 Stratosphere Corporation, its controlling stockholders and their affiliated entities.

ENTERED at Las Vegas, Nevada, this 8th day of September, 1994.