

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
INTERNATIONAL GAME TECHNOLOGY  
(Registration)

THIRD REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board on February 13, 1991, and before the Nevada Gaming Commission on February 27, 1991, 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, are hereby accepted as filed:

a. The application of International Game Technology for final approval to participate in foreign gaming on excursion gambling boats in Davenport, Iowa; and

b. The application of International Game Technology for an amendment to its Order of Registration.

2. THAT the Second Revised Order of Registration of International Game

Technology, dated December 21, 1989, and the First, Second, and Third Amendments thereto, dated February 22, 1990, June 21, 1990, and November 29, 1990, respectively, are hereby consolidated into and updated by this Third Revised Order of Registration.

3. THAT International Game Technology is registered as a publicly traded corporation and found suitable as the sole shareholder of the common stock of IGT and of the Series A preferred stock of CMS-International, and as a controlling shareholder of the common stock of CMS-International and Electronic Data Technologies.

4. THAT IGT is licensed as a manufacturer and distributor, and as an operator of a slot machine route.

5. THAT International Game Technology shall establish and maintain an Internal Reporting System to be administratively approved by the State Gaming Control Board.

6. THAT CMS-International is registered as an intermediary company and is found suitable as the sole shareholder of the common stock of Silver Club, CMS-Sparks and CMS-El Capitan.

7. THAT Silver Club, dba Silver Club, is licensed to conduct nonrestricted gaming operations at 1040 "B" Street, Sparks.

8. THAT Silver Club, dba Silver Club Hotel, is licensed to conduct restricted gaming operations at 1040 "C" Street, Sparks.

9. THAT the provisions in paragraph 24 of the November 29, 1988 draft of the Deed of Trust and Security Agreement with Assignments of Rents related to the Silver Club property, which involve certain restrictions regarding the transfer, assignment, hypothecation or encumbrance of Silver Club voting common stock, are

approved pursuant to NGC Reg. 15.510.1-4.

10. THAT CMS-Sparks, dba The Treasury Club, is licensed to conduct nonrestricted gaming operations (slot machines only) at 1144 "B" Street, Sparks.

11. THAT CMS-El Capitan, dba El Capitan Club, is licensed to conduct nonrestricted gaming operations at 540 "F" Street, Hawthorne.

12. THAT International Game Technology and IGT are granted approval to participate in gaming operations in the State of Montana through IGT-Montana, Inc., while continuing their gaming operations in the State of Nevada through their affiliated companies, CMS-International, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

13. THAT the approval granted in paragraph 12 above is conditioned that International Game Technology shall submit an annual operational and regulatory status report specifically including, but not limited to, regulatory compliance and audit procedures.

14. THAT International Game Technology and CMS-International are granted approval to participate in gaming operations in Antigua while continuing their gaming operations in the State of Nevada through their affiliated companies, IGT, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

15. THAT the approval granted in paragraph 14 above is hereby conditioned as follows:

a. International Game Technology shall engage the services of an independent certified public accounting firm of good standing and reputation to perform an annual audit of King's Casino Limited for the purpose of rendering an opinion;

b. International Game Technology shall further be subject to the

reporting requirements set forth in Exhibit A, which is attached to this Third Revised Order of Registration and incorporated by reference herein;

c. International Game Technology shall submit an annual operational and regulatory status report specifically including, but not limited to, regulatory compliance, audit procedures and surveillance procedures;

d. The Board may in its sole discretion employ, at International Game Technology's expense, an independent accounting firm to make observations and to compile any and all reports deemed necessary by the Board and submit those reports to the Board; and

e. A system of internal control administratively approved by the Board shall be adopted and maintained. Said system of internal control may be modified from time to time as deemed necessary by the Registrant, subject to the subsequent administrative approval of the Chairman of the State Gaming Control Board or his designee.

16. THAT International Game Technology is granted approval to participate in gaming operations on excursion gambling boats operated by The Connelly Group, L.P. in Davenport, Iowa, while continuing its gaming operations in the State of Nevada through its affiliated companies, IGT, CMS-International, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

17. THAT the approval granted in paragraph 16 above is specifically conditioned as follows:

a. That International Game Technology ("IGT") and Iowa Riverboat Corporation ("IRC") shall timely receive all licenses and approvals from the Iowa Racing and Gaming Commission ("IRGC") necessary to participate in gaming operations with The Connelly Group, L.P. in Davenport, Iowa, and shall provide

the Board with a written detailed description of the final financial arrangements concerning The Connelly Group, L.P.'s ("CGLP") commencement of excursion gambling boat operations in Davenport, Iowa.

b. That IGT shall simultaneously provide the Board with a copy of all audited annual financial statements and all other financial statements and reports for CGLP which are required to be submitted to the IRGC.

c. That the following information shall be reported in writing to the Board by IGT within 60 days after the end of the quarter during which the event occurred:

(1) Any changes in CGLP 's officers, directors or key personnel directly or indirectly engaged in the active administration or supervision of the gaming operations conducted on the excursion gambling boat in Davenport, Iowa, who earn \$50,000 or more annually.

(2) All gaming related complaints, disputes, orders to show cause and disciplinary actions instituted or presided over by, or involving as a party thereto, any state, the U.S., foreign or any other governmental jurisdiction, which concerns IGT, CGLP, or IRC, and any officer, director, owner, agent or employee thereof.

(3) All arrests within the knowledge of IGT made of CGLP's or IRC's officers, directors, owners, agents or employees and its patrons, involving gaming misconduct in the State of Iowa. The report shall include: the name, position, charge, arresting agency and a brief description of the event.

(4) All material civil litigation within the knowledge of IGT or IRC in which CGLP, or any officer, director or partner thereof, is involved as a party thereto. The report shall include a copy of the pleadings

filed therein.

(5) Any additional financial commitments, infusion of capital or guarantees, including the details thereof, made by IGT or its affiliates in connection with the operations of CGLP.

d. That IGT shall immediately report in writing to the Board any change in the ownership or control of CGLP or IRC upon receipt of knowledge of the same.

e. That the approval granted relates solely to the approval which was voluntarily sought and received and does not involve any exercise of Nevada regulatory jurisdiction over the entity pertaining to these operations and activities. IGT shall ensure that no representation shall be made by IGT, CGLP, IRC, and their affiliates, directly or indirectly, that the operations are within the regulatory control of the State of Nevada or any agency thereof.

f. That IGT shall submit to the Board a copy of the prescribed system of accounting and internal controls, and any changes thereto, approved by the IRGC concerning the excursion gambling boat operations of CGLP in Davenport, Iowa.

g. That IGT shall maintain at its principal offices in Nevada those detailed financial records maintained in the ordinary course of accounting for its investment in CGLP and IRC. In addition, IGT shall also maintain at its principal offices in Nevada records of ownership pertaining to IGT's investment in CGLP and IRC. Specifically, copies of the following documents related to CGLP and IRC shall be maintained:

(1) Certified copy of the articles of incorporation or their equivalent, and any amendments;

- (2) Agreement(s) of partnership and any amendments;
- (3) Bylaws or their equivalent, and any amendments;
- (4) A list of current and former officers and directors, and any changes;
- (5) Minutes of all meetings of partners, stockholders and directors;
- (6) A listing of each partner's or stockholder's name, address, number of shares or interest held and date such interests were acquired;
- (7) A record of all transfers of the partnership interests or stock; and
- (8) A record of all amounts paid to CGLP and IRC for issuance of stock, partnership shares, and other capital contributions.

Such records of accounting and ownership must be retained by IGT within Nevada for at least five (5) years after they are made and must be made available for inspection to agents of the Board immediately upon request.

h. That IGT shall comply with any additional reporting requirements as may be subsequently administratively required by the Board.

18. THAT except as permitted by NRS 463.690 and the regulations promulgated thereunder, or as provided in paragraphs 12, 13, 14, 15, 16 and 17 above, neither International Game Technology, IGT nor CMS-International, nor any person controlling, controlled by or under common control with International Game Technology, IGT or CMS-International, shall have any involvement with gaming or pari-mutuel wagering outside the State of Nevada without first obtaining the approval of the Nevada Gaming Commission.

19. THAT pursuant to NRS 463.625(2), International Game Technology 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.

20. THAT International Game Technology is exempted from NGC Reg. 15 and shall instead comply with NGC Reg. 16.

21. THAT CMS-International, to effectuate a corporate restructuring of Silver Club, dba Silver Club, and itself, is granted approval to issue 4,399,900 shares of its common stock to International Game Technology and 600,000 shares of its common stock to Edward G. Stevenson, Wayne A. Currie, and E. Patrick Crofts (200,000 shares each); is granted approval to issue options to acquire up to 780,000 shares of its common stock under Incentive Stock Option Agreements to be entered into by and between CMS-International, Edward G. Stevenson, Wayne A. Currie, and E. Patrick Crofts (the "Incentive Stock Option Agreements"); and is granted approval to acquire 450 shares of common stock of Silver Club, dba Silver Club.

22. THAT CMS-International is granted approval to place certain restrictions upon its common stock regarding the transfer, assignment, hypothecation or encumbrance thereof, pursuant to the Incentive Stock Option Agreements and the Agreement of the Shareholders of CMS-International and CMS-International dated September 30, 1990.

23. THAT Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts are each granted approval to exercise options to acquire up to 260,000 shares of common stock of CMS-International, and CMS-International is granted approval to issue to each of said individuals up to 260,000 shares of its common stock, in accordance with the Incentive Stock Option Agreements; provided that, these approvals are expressly conditioned that each individual must obtain the prior



written approval of the Chairman of the State Gaming Control Board and provide all information requested, prior to the exercise of any option or the issuance of any common stock pursuant to the Incentive Stock Option Agreements.

24. THAT CMS-International is granted approval to issue 50,000 shares of its Series A preferred stock to International Game Technology in consideration of the extinguishment of a \$5 million inter-company note, and is granted approval to issue additional shares of Series A preferred stock at a rate not to annually exceed .066 of the outstanding Series A preferred stock, to International Game Technology as a pay-in-kind dividend on the aforesaid Series A preferred stock; provided that, the latter approval is expressly conditioned that it will expire at midnight of the December 1993 Nevada Gaming Commission meeting and that CMS-International must obtain the prior written approval of the Chairman of the State Gaming Control Board and provide all information requested, prior to declaring and issuing any such pay-in-kind Series A preferred stock dividend.

25. THAT CMS-International is granted approval to place certain restrictions upon its Series A preferred stock regarding the transfer, assignment, hypothecation or encumbrance thereof, pursuant to the Preferred Stock Purchase Agreement dated September 30, 1990.

26. THAT Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts are each found suitable as shareholders of common stock of CMS-International.

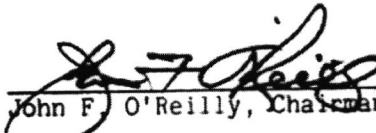
27. THAT International Game Technology shall fund and maintain with the State Gaming Control Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the provisions of this Third Revised Order of Registration. Without limiting 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 International Game Technology, IGT, CMS-International, Silver Club, CMS-Sparks, and CMS-El Capitan, and their affiliated companies.

28. 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 Carson City, Nevada, this 28<sup>th</sup> day of February, 1991.

FOR THE COMMISSION:

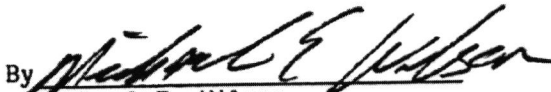
  
John F. O'Reilly, Chairman

Submitted by:

  
P. Gregory Giordano, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
Michael E. Wilson  
Deputy Attorney General  
Gaming Division