

RESOLUTION 1999-32

A RESOLUTION CONCERNING THE APPLICATION OF HORSESHOE GAMING HOLDING CORP. TO ACQUIRE THE OWNERSHIP OF EMPRESS CASINO HAMMOND CORPORATION AND EMPRESS CASINO JOLIET CORPORATION

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. Horseshoe Gaming Holding Corp. ("Horseshoe") has entered into an agreement to acquire a One hundred percent (100%) ownership interest in Empress Casino Hammond Corporation ("Empress Hammond"), the holder of an Indiana Riverboat Owner's License, and Empress Casino Joliet Corporation ("Empress Joliet"). Empress Entertainment, Inc. ("Empress") currently owns Empress Hammond and Empress Joliet.
2. In order to effectuate the purchase of the ownership interest in Empress Hammond, in May 1999 Horseshoe completed the private placement of \$600 million of 10-year senior subordinated notes with a coupon rate of 8 5/8%. The notes require that the acquisition of Empress Hammond and Empress Joliet must be completed by December 1, 1999. The proceeds of the notes were partially used to retire senior notes with a rate of 12 3/4 % and to repay an existing credit facility. The balance is to be held in escrow until the transfer of the ownership interest in Empress Hammond and Empress Joliet is completed.
3. Horseshoe further completed a bank credit facility consisting of a revolving line of credit and a term loan. The total size of the bank credit facility is \$375 million.
4. The Commission has received a confidential financial analysis of the transaction from Dr. A. Charlene Sullivan.
5. The City of Hammond has addressed the Commission and stated it has no objection to the acquisition.
6. Horseshoe and Empress have each addressed the Commission concerning this acquisition.

7. The Indiana State Police, Background Investigative Unit has completed a background investigation of Horseshoe, and has presented a report to the Commission for review.
8. The acquisition of ownership by Horseshoe is an acquisition of Empress Hammond and Empress Joliet. The approval of both the Indiana Gaming Commission and the Illinois Gaming Board are required to complete this transaction. If approved by the Indiana Gaming Commission and the Illinois Gaming Board, Horseshoe will own One hundred percent (100%) of Empress Hammond and Empress Joliet.
9. The Illinois Gaming Board has not addressed this transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:

SECTION 1. SCOPE.

This resolution applies to Empress Entertainment Inc., Empress Casino Hammond Corporation, and Horseshoe Gaming Holding Corp.

SECTION 2. DEFINITIONS.

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

SECTION 3. ACTION ON THE APPLICATION FOR APPROVAL OF TRANSFER OF OWNERSHIP INTEREST BY HORSESHOE GAMING HOLDING CORP.

The Commission hereby:

GRANTS
GRANTS OR DENIES

the application of Horseshoe Gaming Holding Corp. for the acquisition of One hundred percent (100%) of the ownership interest in Empress Casino Hammond Corporation, the holder of the Indiana Riverboat Owner's License, and Empress Casino Joliet Corporation. If the Commission grants the application, the approval of the acquisition shall be subject to the acceptance of the following conditions by Horseshoe and Empress, as applicable:

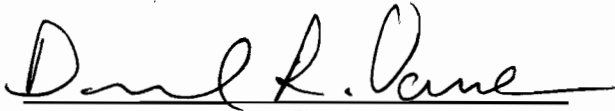
1. All terms, conditions and obligations contained in the Riverboat Owner's License as originally issued by the Indiana Gaming Commission and any written amendments thereto, or any changes made with the permission of the Commission.
2. All terms, conditions and obligations as contained in the development agreement with the City of Hammond, and any written amendments thereto, or any changes made with the permission of the Commission.
3. All aspects of the financial transactions of this acquisition remain exactly as described on August 20, 1999, including but not limited to the purchase price, consulting agreement, escrow accounts, interest rates and borrowings.
4. All aspects of the purchase agreement remain exactly as described on August 20, 1999.
5. The status of Horseshoe Gaming Holding Corp.'s suitability for licensure as well as that of its subsidiaries shall remain as described on August 20, 1999.
6. Regardless of the timing of any action taken by the Illinois Gaming Board, the acquisition shall not take place unless and until Empress and Empress Hammond have met with the Commission staff and complied with all staff requirements concerning the operation of Empress Hammond's main bank, cage, hard count and soft count operations and interrelationships. This must be completed by September 24, 1999, or this approval becomes null and void.
7. Ownership of Empress Hammond shall not become effective unless and until the Illinois Gaming Board approves the acquisition of Empress Joliet, and upon said approval shall become effective simultaneous with the effective date of the Illinois Gaming Board action.
8. In the event the Illinois Gaming Board has taken no action on the acquisition by December 1, 1999, this approval becomes null and void. In the event the Illinois Gaming Board disallows the acquisition, this approval becomes null and void simultaneous with such action.
9. Horseshoe and Empress must immediately advise the Commission staff of any action or change in circumstance as described in these conditions, as may affect this transaction and/or any change affecting licensure or suitability of either company or their affiliates.

SECTION 4. EFFECTIVE DATE.

This RESOLUTION becomes effective as set forth in the above stated conditions.

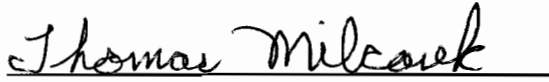
ADOPTED THIS THE 20th DAY OF AUGUST 1999:

THE INDIANA GAMING COMMISISON:

A handwritten signature in cursive script, appearing to read "Donald R. Vowels", written over a horizontal line.

Donald R. Vowels, Chair

ATTEST:

A handwritten signature in cursive script, appearing to read "Thomas Milcarek", written over a horizontal line.

Thomas Milcarek, Secretary

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