

RESOLUTION 2001-32

A RESOLUTION CONCERNING FINANCING BY HARRAH'S OPERATING COMPANY, INC.

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to 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. Pursuant to IC 4-33-4-21, the Commission must review proposed debt transactions to ensure that the Riverboat Owner's License is not leased, hypothecated, or money is not borrowed or loaned against the Riverboat Owner's License.
2. Harrah's Operating Company, Inc. owns 99.55% of Showboat Marina Casino Partnership, the entity that holds the riverboat owner's license to operate a riverboat gaming facility located in East Chicago, Indiana. Harrah's Entertainment, Inc. is the parent company of Harrah's Operating Company, Inc. (collectively referred to as "Harrah's").
3. By letter dated June 6, 2001, Harrah's requested a waiver by the Executive Director under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 with respect to a Rule 144A interim offering, and subsequent approval by the Commission of the registered public offering of Senior Subordinated Notes ("Notes") in the amount of \$500 million at an interest rate of 7.125 percent for a term of six years. The Executive Director granted the request for waiver under 68 IAC 5-3-6 of the financing approval requirements set forth in 68 IAC 5-3 with respect to the interim offering and at this time Harrah's requests approval of the Commission of the public offering of the Notes.
4. Harrah's requests a waiver of 68 IAC 5-3-2(b)(3), the two meeting rule.

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

SECTION 1. SCOPE.

This resolution applies to Harrah's Entertainment, Inc., Harrah's Operating Company, Inc. and Showboat Marina Casino Partnership.

SECTION 2. DEFINITIONS.

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

SECTION 3. ACTION ON REQUEST OF FOR APPROVAL OF FINANCING BY HARRAH'S IN THE AMOUNT OF \$500 MILLION.

The request for a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule is hereby:

APPROVED

APPROVED OR DISAPPROVED

and the request for approval of Harrah's \$500 million, six year notes is hereby:

APPROVED

APPROVED OR DISAPPROVED

subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

Adoption of this resolution and the approval of the debt transaction does not in any way constitute a waiver of the Commission's authority and ability to approve or disapprove any future changes in the ownership of the Riverboat Owner's License, or assets incident thereto which may occur in the event of a default.

SECTION 4. EFFECTIVE DATE.

This resolution is effective immediately.

ADOPTED THIS THE 23rd DAY OF AUGUST, 2001:

THE INDIANA GAMING COMMISSION:



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary