

RESOLUTION 2003-34

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 27, 2003, Harrah's requested approval of a Rule 144A private placement with a subsequent public offering on the notes in the amount of \$500 million at an interest rate not to exceed 8 percent for a term between three (3) to ten (10) years.
4. In accordance with 68 IAC 5-3-2(b)(3), this is the second meeting at which Harrah's has appeared before the Commission requesting approval of a Rule 144A private placement with a subsequent public offering, with the first meeting having occurred on April 7, 2003.

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 FOR APPROVAL OF FINANCING BY HARRAH'S IN AN AMOUNT UP TO \$500 MILLION.

The request for approval of Harrah's \$500 million 144A note is hereby:

APPROVED
APPROVED OR DISAPPROVED

subject to a review and approval 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 11TH DAY OF JULY, 2003:

THE INDIANA GAMING COMMISSION



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary