

RESOLUTION 2003-17

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 March 25, 2003, Harrah's requested approval to replace existing credit facilities consisting of a 364 day revolving loan and a five year term loan, with a combined total debt capacity of \$1,857,000,000. Harrah's requests approval to replace these bank credit facilities with a senior credit facility of up to \$1,800,000,000, consisting of a 50% revolving credit facility and a 50% term loan. The new credit facility will have a variable interest rate and a five year maturity date. If conditions are favorable, Harrah's may increase the facility to a total of \$2,000,000,000, with any amount over \$1,800,000,000 resulting in an increase in the revolving credit facility rather than the term loan.
4. Harrah's requests a waiver of 68 IAC 5-3-2(b)(3), the two (2) 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 FOR APPROVAL OF FINANCING BY HARRAH'S IN AN AMOUNT UP TO \$2,000,000,000.

The request for a wavier 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 \$2,000,000,000 credit facility is hereby:

APPROVED
APPROVED OR DISAPPROVED

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

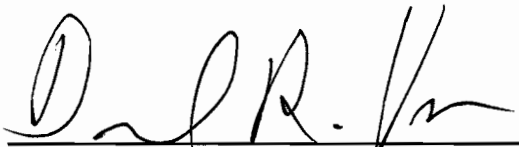
Adoption of this resolution and the approval of the debt transaction does not in any way constitute a waiver of the Commission's authority and ability to approve or disapprove any future changes in the ownership of the Riverboat Owner's License or assets incident thereto which may occur in the event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

SECTION 4. EFFECTIVE DATE.

This resolution is effective immediately.


ADOPTED THIS THE 7TH DAY OF APRIL, 2003:

THE INDIANA GAMING COMMISSION



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary