

## RESOLUTION 2005-27

### A RESOLUTION CONCERNING THE APPLICATION OF HARRAH'S OPERATING COMPANY, INC. TO ACQUIRE AN OWNERSHIP INTEREST IN CAESARS RIVERBOAT CASINO, LLC

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. Harrah's Entertainment, Inc. ("Harrah's, Inc."), the parent of Harrah's Operating Company, Inc. ("Harrah's"), has entered into an agreement to acquire a one hundred percent (100%) ownership of Caesars Entertainment, Inc., the ultimate parent company of Caesars Riverboat Casino, LLC ("Caesars"). Caesars is the current holder of an owner's license to operate a riverboat docked in Harrison County, Indiana. After closing of the merger, Caesars will remain as the named license holder.
2. Harrah's currently holds an Owner's Licenses to own and manage a riverboat gambling operation in Hammond, Indiana, and by acquiring an interest in Caesars' license Harrah's will be subject to the mandatory payment of a \$2 million transaction fee to the Commission pursuant to IC 4-33-4-21(d).
3. Harrah's has indicated and established to the Commission's satisfaction that it has sufficient funds at its disposal to finance its approximately \$9.44 billion acquisition of Caesars. Pursuant to the agreement, Caesars Entertainment, Inc.'s shareholders will receive an aggregate of \$1.8 billion in cash and 66.3 million shares of Harrah's, Inc.'s common stock. Harrah's, Inc. will issue approximately \$1.9 billion in new debt to fund the cash portion of the transaction by borrowing under an established credit facility which was amended in January, 2005 to allow for a borrowing capacity of up to \$5 billion. This \$5 billion facility was ratified by the Commission at its March 23, 2005 business meeting.
4. The Commission has received a confidential financial analysis of the transaction from Dr. A. Charlene Sullivan in which she recommends approval of the corporate merger and license transfer.
5. Harrah's and Caesars have both addressed the Commission concerning this acquisition.
6. For other purposes, the Indiana State Police, Background Investigative Unit has recently completed background investigations of Harrah's and Caesars and both are in good standing.

**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 Operating Company, Inc. and Caesars Riverboat Casino, LLC.

**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 OF HARRAH'S OPERATING COMPANY, INC. TO ACQUIRE AN OWNERSHIP INTEREST IN CAESARS RIVERBOAT CASINO, LLC**

The Commission hereby:

**GRANTS**

(GRANTS OR DENIES)

The application of Harrah's Operating Company ("Harrah's) to acquire an ownership interest in Caesars Riverboat Casino, LLC ("Caesars").

The Commission's granting of Harrah's application and acquisition shall be subject to Harrah's acceptance of the continuing condition that it remains in full compliance with all applicable laws and regulations pertaining to this license transfer and corporate acquisition, and to the operation of a riverboat gambling operation in Indiana.

**SECTION 4: EFFECTIVE DATE**


This resolution shall be effective as of 4:00 p.m. on April 22, 2005.

**ADOPTED THIS THE 21<sup>st</sup> DAY OF APRIL, 2005.**

THE INDIANA GAMING COMMISSION:

  
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Harold Calloway, Chair

ATTEST:

  
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Secretary