

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

CAESARS ENTERTAINMENT, INC.

(formerly PARK PLACE ENTERTAINMENT  
CORPORATION

(Registration) \_\_\_\_\_

SEVENTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on July 14, 2004, and before the Nevada Gaming Commission (“Commission”) on July 29, 2004, in Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Caesars Entertainment Inc. for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems, in conjunction with a credit agreement and (ii) an amendment to its Order of Registration;

b. The application of Parball Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin, Inc., in conjunction with a credit agreement;

c. The application of Caesars World, Inc., for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities Caesars Palace Corporation in conjunction with a credit agreement;

d. The application of Caesars Palace Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., in conjunction with a credit agreement; and

e. The application of Desert Palace, Inc., for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., in conjunction with a credit agreement.

2. THAT the Sixth Revised Order of Registration of Caesars Entertainment Inc. dated December 18, 2003, is hereby amended and restated, in its entirety, by this Seventh Revised Order of Registration.

3. THAT Caesars Entertainment, Inc. is registered as a publicly traded corporation and found suitable as the sole shareholder of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems.

4. THAT Parball Corporation is registered as an intermediary company and found suitable as the sole shareholder of, FHR Corporation and Flamingo Laughlin, Inc.

5. THAT Caesars World, Inc., is registered as an intermediary company and is found suitable as the sole shareholder of Caesars Palace Corporation.

6. THAT Caesars Palace Corporation is registered as an intermediary company and found suitable as the sole shareholder of Desert Palace, Inc.

7. THAT Desert Palace, Inc., dba Caesars Palace, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and

sports pool, and to operate International Gaming Salons, at 3570 Las Vegas Boulevard South, Las Vegas; that Desert Palace, Inc., dba Caesars Tahoe, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool at 55 Highway 50, Stateline; and that Desert Palace, Inc., is licensed as a manufacturer and distributor, all such licenses subject to such conditions or limitations as may be imposed by the Commission.

8. THAT Desert Palace, Inc., is registered as an intermediary company and is found suitable as the sole shareholder of Tele/Info, Inc.

9. THAT Tele/Info, Inc., is licensed as a disseminator, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT the approvals granted herein for Tele/Info, Inc., are expressly conditioned that Desert Palace, Inc., or any of its affiliated companies, shall only be allowed to have a contractual relationship with one race track or race association at a time for the purpose of receiving and disseminating live broadcasts.

11. THAT Parball Corporation, dba Flamingo Hilton Las Vegas, and dba O'Sheas Casino, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3555 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

12. THAT Parball Corporation, dba Bally's Las Vegas/Paris Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3645 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission; provided that, the license issued to Parball Corporation to conduct gaming at Bally's Las Vegas/Paris Las Vegas is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking

Bally's Las Vegas/Paris Las Vegas at 3645 Las Vegas Boulevard, South and 3655 Las Vegas Boulevard, South and further, that said pedestrian walkway be open and accessible to the public during all times that gaming is conducted on the premises of Bally's Las Vegas/Paris Las Vegas.

13. THAT FHR Corporation, dba Reno Hilton Resort, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 2500 East Second Street, Reno, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

14. THAT Flamingo Laughlin, Inc., dba Flamingo Laughlin, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 1900 Casino Drive, Laughlin, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

15. THAT Consolidated Supplies, Services and Systems is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT in conjunction with the Credit Agreement dated as of April 20, 2004, as may be amended, (the "Credit Agreements"), and in conjunction with the private placement of 8 1/8% Senior Subordinated Notes due 2011 and 7 1/2% Senior Notes due 2009, (collectively, the "Notes"), Caesars Entertainment, Inc. is approved, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems.

17. THAT in conjunction with the Credit Agreements and the Notes, Parball Corporation is approved, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the

transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin, Inc.

18. THAT in conjunction with the Credit Agreements and the Notes, Caesars World, Inc., is approved, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation.

19. THAT in conjunction with the Credit Agreements and the Notes, Caesars Palace Corporation is approved, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc.

20. THAT in conjunction with the Credit Agreements and the Notes, Desert Palace, Inc., is approved, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc.

21. THAT Caesars Entertainment, Inc. shall establish and maintain a Gaming Compliance Plan ("Plan"), for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Caesars Entertainment, Inc. its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, the Commission's Regulations (the "Regulations"), as amended, and the laws and regulations of any other jurisdictions in which Caesars Entertainment, Inc. its subsidiaries and any affiliated entities operate. The Plan, any amendments thereto, and the members of the compliance committee, one such member who shall be independent and knowledgeable in the Act and Regulations, shall be administratively reviewed and approved by the Chairman of the Board or his designee. Caesars Entertainment, Inc. shall amend the Plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board or his designee related to a review of

activities relevant to the continuing qualification of Caesars Entertainment, Inc. under the provisions of the Act and Regulations.

22. THAT Caesars Entertainment, Inc. shall fund and maintain with the Board a revolving fund in the amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Caesars Entertainment, Inc., its subsidiaries and any affiliated entities.

23. THAT pursuant to NRS 463.625, Caesars Entertainment, Inc. is hereby exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

24. THAT Caesars Entertainment, Inc. is hereby exempted from compliance with NGC Regulation 15 and shall instead comply with NGC Regulation 16.

25. THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas Nevada, this 29<sup>th</sup> day of July 2004.