

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

STARWOOD HOTELS & RESORTS WORLDWIDE, INC.
STARWOOD HOTELS & RESORTS
ITT CORPORATION
AND
CAESARS WORLD, INC.

(Registration)

REVISED ORDERS OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") and the Nevada Gaming Commission ("Commission") on February 19, 1998, at 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 Starwood Hotels & Resorts Worldwide, Inc. for an amendment to its Order of Registration, for approval of acquisitions of control of ITT Corporation and Caesars World, Inc., for a finding of suitability as a controlling shareholder of ITT Corporation and for approval to pledge the equity securities of ITT Corporation to Bankers Trust Company as agent for a group of commercial banks in conjunction with a credit agreement;

b. The applications of Starwood Hotels & Resorts for registration as a publicly traded corporation, for approval of acquisitions of control of ITT Corporation and Caesars World, Inc., for a finding of suitability as a controlling shareholder of ITT Corporation and for approval to pledge the equity securities of ITT Corporation to Bankers Trust Company as agent for a group of commercial banks in conjunction with a credit agreement; and

c. The applications of ITT Corporation for an amendment to its Orders of Registration to reflect the acquisition of control by Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts, to reflect the transfer of the continuous approvals contained in its Orders of Registration dated October 26, 1995, to these Revised Orders of Registration, for approval to pledge the equity securities of ITT Sheraton Corporation to Bankers Trust Company as agent for a group of commercial banks in conjunction with a credit agreement, and for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of ITT Sheraton Corporation in conjunction with a credit agreement.

2. THAT the Order of Registration of Starwood Lodging Corporation, dated May 22, 1997, is hereby amended and restated, in its entirety, by these Revised Orders of Registration of Starwood Hotels & Resorts Worldwide, Inc., Starwood Hotels & Resorts, ITT Corporation and Caesars World, Inc.

3. THAT Starwood Hotels & Resorts Worldwide, Inc. is registered as a publicly traded corporation, found suitable as the sole stockholder of Hotel Investors Corporation of Nevada, approved to acquire control of ITT Corporation and Caesars World, Inc. pursuant to NGC Regulation 16.200, and found suitable as a controlling shareholder of ITT Corporation pursuant to NGC Regulation 16.400.

4. THAT Barry Stuart Sternlicht is found suitable as a controlling person of Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts.

5. THAT Starwood Hotels & Resorts is registered as a publicly traded corporation, approved to acquire control of ITT Corporation and Caesars World, Inc. pursuant to NGC Regulation 16.200, and found suitable as a controlling shareholder of ITT Corporation pursuant to NGC Regulation 16.400.

6. THAT ITT Corporation is registered as a publicly traded corporation and found suitable as the sole shareholder of ITT Sheraton Corporation.

7. THAT ITT Corporation is approved to acquire control of ITT Sheraton Corporation and Caesars World, Inc.

8. THAT ITT Sheraton Corporation is registered as an intermediary company and found suitable as the sole shareholder of Caesars World, Inc., and Sheraton Gaming Corporation.

9. THAT Sheraton Gaming Corporation is registered as an intermediary company and found suitable as the sole shareholder of Sheraton Desert Inn Corporation.

10. THAT Sheraton Desert Inn Corporation, dba Sheraton Desert Inn Resort & Casino, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3145 Las Vegas Boulevard, South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

11. THAT Sheraton Desert Inn Corporation is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

12. THAT Caesars World, Inc., is registered as a publicly traded corporation and found suitable as the sole shareholder of Caesars Palace Corporation.

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

14. THAT Desert Palace, Inc., dba Caesars Palace and 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 3570 Las Vegas Boulevard South, Las Vegas, and at

55 Highway 50, Stateline, respectively, subject to such conditions or limitations as may be imposed by the Commission; and that Desert Palace, Inc., is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

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

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

17. 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.

18. THAT Caesars World, Inc., and all persons controlling, controlled by and under common control with Caesars World, Inc., shall comply with and be bound by the terms and provisions of NGC Regulations 5.010, 5.011(1), 5.011(5), and 5.011(6), in the same manner as is required of nonrestricted gaming licensees.

19. THAT the Board and Commission have been advised of the positions of the National Basketball League and the National Hockey League regarding ITT Corporation's subsidiaries accepting wagers on professional basketball and hockey games, respectively. Should the position of either League change regarding this matter, ITT Corporation shall file, within thirty calendar days of such change, an application to amend, modify or terminate this paragraph and to permit the Board and Commission to consider such matter.

20. THAT Starwood Hotels & Resorts Worldwide, Inc. is granted approval to pledge the equity securities of ITT Corporation to Bankers Trust Company as agent for a group of commercial banks in conjunction with that Credit Agreement by and between Starwood Hotels & Resorts Worldwide, Inc. and its affiliates and Bankers Trust Company, (the "Credit Agreement") provided that:

a. The pledge is pursuant to the draft Pledge Agreement in the form of that draft as of February 17, 1998 (the "Pledge Agreement"), a copy of which when fully executed must be provided to the Board within 5 business days of execution.

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Starwood Hotels & Resorts Worldwide Inc.) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulation 8.030(4)(a), the stock certificates of ITT Corporation evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

21. THAT Starwood Hotels & Resorts is granted approval, to pledge the equity securities of ITT Corporation to Bankers Trust Company as agent for a group of commercial banks in conjunction with the Credit Agreement, provided that:

a. The pledge is pursuant to the Pledge Agreement a copy of which when fully executed must be provided to the Board within 5 business days of execution;

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Starwood Hotels & Resorts) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulation 8.030(4)(a), the stock certificates of ITT Corporation evidencing said pledge of equity securities must at all times remain physically within the state of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

22. THAT ITT Corporation is granted approval, pursuant to NGC Regulation 15.585.7-2, to pledge the equity securities of ITT Sheraton Corporation to Bankers Trust

Company as agent for a group of commercial banks in conjunction with the Credit Agreement, provided that:

- a. The pledge is pursuant to the Pledge Agreement a copy of which, when fully executed, must be provided to the Board within 5 business days of execution;
- b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to ITT Corporation) and before any other resort to the collateral or other enforcement of a security interest in such securities, may occur; and
- c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of ITT Sheraton Corporation evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

23. THAT in conjunction with the Credit Agreement and Pledge Agreement, ITT Corporation is granted approval, 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 ITT Sheraton Corporation.

24. THAT Hotel Investors Corporation of Nevada, dba King 8 Hotel and Gambling Hall, is licensed to conduct nonrestricted gaming operations at 3330 West Tropicana Avenue, Las Vegas, Nevada.

25. THAT Starwood Hotels & Resorts Worldwide, Inc. shall establish and maintain a compliance committee 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 Starwood Hotels & Resorts Worldwide, Inc., Starwood Hotels & Resorts, ITT Corporation, Caesars World, Inc., and their subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, and the Commission Regulations, as

amended (the "Regulations") as amended. The compliance committee plan, any amendments thereto, and the members, one such member which shall be independent, shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Furthermore, upon request of the Chairman of the Board, or his designee, Starwood Hotels & Resorts Worldwide, Inc., shall amend the compliance committee 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 Starwood Hotels & Resorts Worldwide, Inc., Starwood Hotels & Resorts, ITT Corporation, Caesars World, Inc. and any subsidiaries or affiliated entities, under the provisions of the Act and Regulations.

26. THAT ITT Sheraton Corporation shall receive the administrative approval of the Chairman of the Board, or his designee, before the presently existing Compliance Committee may be terminated.

27. THAT pursuant to NRS 463.625, Starwood Hotels & Resorts Worldwide, Inc. is exempted from compliance with NRS 463.585(1), (2), (5), (6) and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

28. THAT Starwood Hotels & Resorts Worldwide, Inc. is exempted from NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.510.2-1 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

29. THAT, pursuant to NRS 463.625, Starwood Hotels & Resorts is exempted from compliance with NRS 463.585(1),(2),(5),(6) and (7), and NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

30. THAT Starwood Hotels & Resorts is exempted from NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.510.2-1 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

31. THAT ITT Corporation and Caesars World, Inc., are exempted from compliance with NRS 463.585 through 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive, provided; however, Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts shall not sell, transfer, or pledge any equity securities of ITT Corporation and ITT Sheraton Corporation shall not sell, transfer, or pledge any equity securities of Caesars World, Inc., without the prior approval of the Commission.

32. THAT ITT Corporation and Caesars World, Inc., are exempted from the provisions of NGC Regulations 15 except for the provisions of NGC Regulation 15.585.4-1, 15.585.7-4 and 15.585.7-6, and shall instead comply with NGC Regulation 16.

33. THAT, pursuant to NRS 463.489, ITT Sheraton Corporation and Sheraton Gaming Corporation are exempted from NRS 463.585(5).

34. THAT Starwood Hotels & Resorts Worldwide, Inc. shall fund and maintain with the Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms and provisions of these Revised Orders 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 review of all activities of Starwood Hotels & Resorts Worldwide, Inc. and its affiliated entities.

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

36. THAT, immediately upon approval by the Commission, Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts are approved to acquire control of ITT Corporation and Caesars World, Inc., as described where applicable in Paragraphs 3 and 5 of these Revised Orders of Registration. The remainder of these Revised Orders of Registration shall become effective upon the completion and effectiveness of the transactions described in Paragraph 1. If such transactions are not completed by March 19, 1998, unless administratively

extended by the Chairman of the Board, then these Revised Orders of Registration shall be rendered null and void and shall never become effective, and the Starwood Lodging Corporation Order of Registration dated May 22, 1997 shall remain effective.

ENTERED at Las Vegas, Nevada, this 19th day of February 1998.