

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

HARRAH'S ENTERTAINMENT, INC.,  
HARRAH'S OPERATING COMPANY, INC.,  
and HARVEYS CASINO RESORTS

(Registration)

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TWELFTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") and before the Nevada Gaming Commission ("Commission") on July 26, 2001, 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 Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., for (i) approval of an acquisition of control of Harveys Casino Resorts, (ii) a finding of suitability as sole shareholders of Harveys Casino Resorts and (iii) an amendment to their Eleventh Revised Orders of Registration; and
  - b. The applications of Harveys Casino Resorts for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity

securities of Harveys Tahoe Management Company, Inc., in conjunction with certain credit agreements and (ii) an amendment to its Eighth Revised Order of Registration.

2. THAT these Eleventh Revised Orders of Registration of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., dated April 27, 2000, and the Eighth Revised Order of Registration of Harveys Casino Resorts, dated January 28, 1999, are hereby amended and restated, in their entirety, by these Twelfth Revised Orders of Registration of Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., and Harveys Casino Resorts.

3. THAT Harrah's Entertainment, Inc., is registered as a publicly traded corporation and is approved, pursuant to NGC Regulation 16.200, to acquire control of Harveys Casino Resorts.

4. THAT Harrah's Operating Company, Inc., is registered as a publicly traded corporation and is approved, pursuant to NGC Regulation 16.200, to acquire control of Harveys Casino Resorts.

5. THAT Harveys Casino Resorts is registered as a publicly traded corporation and is found suitable as the sole shareholder of Harveys Tahoe Management Company, Inc.

6. THAT Harrah's Entertainment, Inc., is found suitable as the sole shareholder of Harveys Casino Resorts, and upon the completion of the transfer of the equity securities of Harveys Casino Resorts to Harrah's Operating Company, Inc., Harrah's Operating Company, Inc., is found suitable as the sole shareholder of Harveys Casino Resorts.

7. THAT Harrah's Operating Company, Inc., is found suitable as the sole shareholder of Rio Hotel & Casino, Inc., Harrah's Las Vegas, Inc. and Harrah's Laughlin, Inc.

8. THAT Harrah's Operating Company, Inc., is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

9. THAT Harrah's Operating Company, Inc., dba Harrah's Casino Hotel Reno, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations,

including a race book and sports pool, at 300 East 2nd Street, Reno, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT Harrah's Operating Company, Inc., dba Harrah's Casino Hotel Lake Tahoe and dba Bill's Lake Tahoe Casino, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at Highway 50, Stateline, subject to such conditions or limitations as may be imposed by the Commission.

11. THAT Rio Hotel & Casino, Inc., is registered an intermediary company and is found suitable as the sole shareholder of Rio Properties, Inc., and Rio Leasing, Inc.

12. THAT Harrah's Las Vegas, Inc., dba Harrah's Casino Hotel Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3473 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

13. THAT Harrah's Laughlin, Inc., dba Harrah's Casino Hotel Laughlin, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 2900 South Casino Drive, Laughlin, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a distributor, subject to such conditions or limitations as may be imposed by the Commission.

14. THAT Harrah's Laughlin, Inc., dba Harrah's RV Plaza/Convenience Center, is licensed to conduct restricted gaming operations at 2900 S. Casino Drive, Laughlin, subject to such conditions or limitations as may be imposed by the Commission.

15. THAT Harveys Tahoe Management Company, Inc., dba Harveys Resort Hotel/Casino, is licensed as a manufacturer and as a distributor, and is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at Highway 50 and Stateline Avenue, Stateline, subject to such conditions or limitation as may be imposed by the Commission.

16. THAT Rio Properties, Inc., dba Rio Suite Hotel & Casino, is licensed to conduct

off-track pari-mutuel race and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3700 West Flamingo Road, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

17. THAT Rio Leasing, Inc., is licensed as a distributor, subject to such conditions or limitations as may be imposed by the Commission.

18. THAT in connection with the Five Year Credit Agreement dated as of April 30, 1999 and the 364 Day Credit Agreement dated as of April 30, 1999, as amended, (collectively, the "Credit Agreements"), Harrah's Operating Company, Inc., is granted approval 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 Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., and Rio Hotel & Casino, Inc.

19. THAT in connection with the Credit Agreements, Harveys Casino Resorts is granted approval, 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 Harveys Tahoe Management Company, Inc.

20. THAT in connection with the Credit Agreements, Rio Hotel & Casino, Inc., is granted approval, 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 Rio Properties, Inc., and Rio Leasing, Inc.

21. THAT in conjunction with the Amended and Restated Credit Agreement, between Harveys Casino Resorts and Wells Fargo Bank, N.A., dated as of December 9, 1998 ("Harveys Credit Agreement"), the Security Agreement and Pledge of Stock, between Harveys Casino Resorts and Wells Fargo Bank, N.A., dated as of January 25, 1999 ("Harveys Pledge Agreement"), and the indenture for and issuance of Harveys Casino Resorts 10 5/8% Senior Subordinated Notes due 2006, Harveys Casino Resorts 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 Harveys Tahoe Management Company, Inc.

22. THAT Harveys Casino Resorts is granted approval, pursuant to NRS 463.510, to pledge the stock of Harveys Tahoe Management Company, Inc., to Wells Fargo Bank, N.A., as Agent Bank in its capacity as Secured Party, provided that: (a) this approval is pursuant to the fully executed Harveys Pledge Agreement dated as of January 25, 1999, (b) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interest in such stock may occur and (c) pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of Harveys Tahoe Management Company, Inc., evidencing said pledge of stock must at all times remain physically within the State of Nevada at a location designated to the Board and must be available for inspection by Agents or employees of the Board immediately upon request during normal business hours.

23. THAT the Harveys Pledge Agreement shall not be further amended without the prior administrative approval of the Chairman of the Board or his designee. Such administrative approval may not be granted regarding amendments to the Harveys Pledge Agreement that increase the number of shares of common stock that are the subject of the pledge, or that change the identity of the Agent Bank in its capacity as Secured Party.

24. THAT Harrah's Entertainment, Inc., shall maintain its presently existing compliance system 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 Harrah's 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 Harrah's Entertainment, Inc., its subsidiaries and any affiliated entities operate. The compliance system, any amendments thereto, and the members of the gaming compliance committee, one such member who shall be independent and knowledgeable in gaming regulations, shall be

administratively reviewed and approved by the Chairman of the Board or his designee.

Harrah's Entertainment, Inc., shall amend the compliance system, 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 Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts and their subsidiaries under the provisions of the Act and Regulations.

25. THAT pursuant to NRS 463.625, Harrah's Entertainment, Inc., is 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.

26. THAT Harrah's Entertainment, Inc., is exempted from compliance with NGC Regulation 15 and shall instead comply with NGC Regulation 16.

27. THAT Harrah's Operating Company, Inc., is 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.

28. THAT Harrah's Operating Company, Inc., is exempted from compliance with NGC Regulation 15 except for the provisions of NGC Regulations 15.585.4-1 and 15.585.7-6 and shall instead comply with NGC Regulation 16, except Harrah's Operating Company, Inc., is exempted, pursuant to NGC Regulation 16.450, from NGC Regulation 16.100(1) and (2); provided that, Harrah's Entertainment, Inc., shall not sell, assign, transfer, pledge or otherwise dispose of any equity securities of Harrah's Operating Company, Inc., without the prior approval of the Commission.

29. THAT Harveys Casino Resorts is 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.

30. THAT Harveys Casino Resorts is exempted from compliance with NGC Regulation 15 except for the provisions of NGC Regulations 15.585.4-1 and 15.585.7-6 and

shall instead comply with NGC Regulation 16; provided that, Harrah's Operating Company, Inc., shall not sell, assign, transfer, pledge or otherwise dispose of any equity securities of Harveys Casino Resorts without the prior approval of the Commission.

31. THAT Harrah's Entertainment, Inc., shall fund and maintain with the Board a revolving fund in the total amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of these 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 or its staff in the surveillance, monitoring and investigative reviews of all activities of Harrah's Entertainment, Inc., its direct and indirect subsidiaries, and their affiliated entities.

32. 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.

33. THAT these Twelfth Revised Orders of Registration shall become effective upon the completion and effectiveness of the Stock Purchase Agreement, dated April 24, 2001 ("Stock Purchase Agreement"), executed by and among Harrah's Entertainment, Inc., Colony HCR Voteco, LLC, Colony Investors III, L.P., and Harveys Casino Resorts. If the Stock Purchase Agreement is not completed and effective by September 26, 2001, unless administratively extended by the Chairman of the Board or his designee, then these Twelfth Revised Orders of Registration shall be rendered null and void and shall not become effective and the Eleventh Revised Orders of Registration of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., and the Eighth Revised Order of Registration of Harvey Casino Resorts shall remain effective. If these Twelfth Revised Orders of Registration are rendered null and void as provided above, then Paragraphs 24, 25 and 27 as provided herein, shall be deemed to be incorporated into the Eleventh Revised Orders of Registration of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc.

ENTERED at Las Vegas, Nevada, this 26<sup>th</sup> day of July 2001.