

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

---

In the Matter of

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

(Delayed Public Offering)

REVISED ORDER

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 an amendment to their previously approved continuous or delayed public offering order dated November 20, 2000;

b. The applications of Harveys Casino Resorts for (i) an amendment to its previously approved continuous or delayed public offering order dated November 18, 1999 and (ii) approval to place restrictions upon the transfer, and to enter into agreements not to encumber, the equity securities of Harveys Tahoe Management Company, Inc., in conjunction with a continuous or delayed public offering; and

c. The application of Harveys Tahoe Management Company, Inc., for approval to guarantee securities and to hypothecate assets in conjunction with a continuous or delayed public offering.

2. THAT the Order of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., dated November 20, 2000, and the Order of Harveys Casino Resorts, dated November 18, 1999, are hereby amended and restated, in their entirety, by this Revised Order of Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., and Harveys Casino Resorts.

3. THAT for a period of sixteen (16) months, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts and any affiliated company wholly-owned by them which is or would thereby become a publicly traded corporation ("Affiliate") are each granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the sixteen (16) month period, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts and their Affiliate(s) shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts and their Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division, and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other event that would have a material effect on Harrah's Entertainment, Inc., or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

c. That the approval herein granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

4. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in Paragraph 3(c) above.

5. THAT for a period of sixteen (16) months, 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 Rio Hotel & Casino, Inc., Harrah's Las Vegas, Inc., and Harrah's Laughlin, Inc., pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order.

6. THAT for a period of sixteen (16) months, 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., pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order.

7. THAT for a period of sixteen (16) months, 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., pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order.

8. THAT for a period of sixteen (16) months, Rio Hotel & Casino, Inc., is granted approval, pursuant to NGC Regulation 15.585.7-1, to guarantee securities issued by Harrah's Entertainment, Inc., Harrah's Operating, Inc., Harveys Casino Resorts or their Affiliate(s)

pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order.

9. THAT for a period of sixteen (16) months, Harrah's Operating Company, Inc., Harveys Tahoe Management Company, Inc., Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., Rio Properties, Inc., and Rio Leasing, Inc., are each hereby granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts or their Affiliate(s) pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harveys Casino Resorts or their Affiliate(s) pursuant to a public offering made under the approval granted by Paragraph 3 of this Revised Order.

10. THAT this Revised Order 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 this Revised Order shall be rendered null and void and shall not become effective and the Order of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., dated November 20, 2000 and the Order of Harvey Casino Resorts, dated November 18, 1999 shall remain effective.

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