

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

HILTON HOTELS CORPORATION
and
BALLY'S CASINO HOLDINGS, INC.

(Registration) _____

FIFTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") on November 12, 1996, at Las Vegas, Nevada, and regularly before the Nevada Gaming Commission ("Commission") on November 21, 1996, 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, of Hilton Hotels Corporation, have been filed.
 - a. For an amendment to its Fourth Revised Order of Registration;
 - b. For approval to acquire control of Bally Entertainment Corporation, Bally's Casino Holdings, Inc. and Bally's Grand, Inc.;
 - c. For a finding of suitability as the sole shareholder of Bally's Intermediate Sub, Inc.;

d. For approval to beneficially own more than 10% of the common stock of Bally's Casino Holdings, Inc. and Bally's Grand, Inc.; and

e. For a finding of suitability as controlling shareholder of Bally's Casino Holdings, Inc. and Bally's Grand, Inc.

2. THAT the Fourth Revised Order of Registration of Hilton Hotels Corporation, dated September 29, 1994, is hereby amended and restated, in its entirety, by these Fifth Revised Orders of Registration, subject to the provisions of paragraph 24.

3. THAT Hilton Hotels Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Hilton Gaming Corporation and Bally's Intermediate Sub, Inc.

4. THAT Hilton Hotels Corporation is hereby granted approval, pursuant to NGC Regulation 16.200, to acquire control of Bally Entertainment Corporation, Bally's Casino Holdings, Inc. and Bally's Grand, Inc.

5. THAT Hilton Gaming Corporation is registered as an intermediary company and is found suitable as the sole shareholder of Las Vegas Hilton Corporation, Flamingo Hilton Corporation, Flamingo Hilton-Reno, Inc. and Reno Hilton Resort Corporation.

6. THAT Las Vegas Hilton Corporation, dba Las Vegas Hilton, is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at 3000 Paradise Road, 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.

7. THAT Flamingo Hilton Corporation is registered as an intermediary company and is found suitable as the sole shareholder of Flamingo Hilton-Laughlin, Inc.; is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission; and that Flamingo Hilton Corporation, dba Flamingo Hilton Las Vegas, is licensed to conduct off-track pari-mutuel 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.

8. THAT Reno Hilton Resort Corporation, dba Reno Hilton, is licensed to conduct off-track pari-mutuel 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.

9. THAT Flamingo Hilton-Reno, Inc., dba Flamingo Hilton Reno, is licensed to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, including a race book and sports pool, at 255 North Sierra 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; provided that, the license issued to Flamingo Hilton-Reno, Inc. to conduct gaming at the Flamingo Hilton Reno is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking the Flamingo Hilton Reno at 241 North Virginia Street and 255 North Sierra Street, and further, that said pedestrian walkway be open and accessible to the public during all times that gaming is conducted upon the premises of the Flamingo Hilton Reno.

10. THAT Flamingo Hilton-Laughlin, Inc., dba Flamingo Hilton-Laughlin, is licensed to conduct off-track pari-mutuel 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.

11. THAT William Barron Hilton is found suitable as a controlling shareholder of Hilton Hotels Corporation.

12. THAT Hilton Hotels Corporation is found suitable, pursuant to NRS 463.643, to beneficially own more than 10% of the voting securities of Bally's Casino Holdings, Inc. and Bally's Grand, Inc.

13. THAT Hilton Hotels Corporation is found suitable, pursuant to NGC Regulation 16.400, as a controlling shareholder of Bally's Casino Holdings, Inc. and Bally's Grand, Inc.

14. THAT Bally's Intermediate Sub, Inc. is registered as an intermediary company and is found suitable as the sole stockholder of Bally's Sub, Inc.

15. THAT Bally's Sub, Inc. is registered as an intermediary company and is found suitable as the sole stockholder of Bally's Casino Holdings, Inc.

16. THAT Bally's Casino Holdings, Inc. is registered as a publicly traded corporation and is found suitable to be the sole stockholder of Bally's Grand Management Co., Inc. and Bally's CHLV, Inc.

17. THAT Bally's CHLV, Inc. is found suitable, pursuant to NRS 463.643, to beneficially own more than 10% of the voting securities of Bally's Grand, Inc.

18. THAT Hilton Hotels Corporation shall maintain a Compliance Committee whose composition is satisfactory to the Board. Said Compliance Committee shall administer the Internal Reporting System, and shall have other duties as more fully described in Exhibit A, which is attached to this Fifth Revised Order of Registration and incorporated herein by reference. Hilton Hotels Corporation shall hereafter make such amendments to the Compliance Committee and Internal Reporting System specifications and duties as may be required by the Chairman of the Board, or his designee 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 Hilton Hotels Corporation under the provisions of the Nevada Gaming Control Act and Nevada Gaming Commission Regulations. The Internal Reporting System, any amendments thereto, and the members of the Compliance Committee shall be administratively reviewed and approved by the Chairman of the Board, or his designee.

19. THAT Hilton Hotels corporation 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 Hilton Hotels Corporation and Bally's Casino Holdings, Inc., their subsidiaries and any affiliated entities.

20. THAT pursuant to NRS 463.625, Hilton Hotels Corporation and Bally's Casino Holdings, Inc. are hereby 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.

21. THAT Hilton Hotels Corporation and Bally's Casino Holdings, Inc. are hereby exempted from compliance with NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

22. 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.

23. THAT these Fifth Revised Orders of Registration shall become effective upon the consummation of the merger of Bally Entertainment Corporation with and into Hilton Hotels Corporation, pursuant to, and as more fully described in, that Agreement and Plan of Merger dated June 6, 1996, as amended ("the Merger"). If the Merger is not consummated by January 24, 1997, unless administratively extended by the Chairman of the Board or his designee, then these Fifth Revised Orders of Registration shall be rendered null and void and Hilton Hotel Corporation's Fourth Revised Order of Registration shall be effective.

ENTERED at Las Vegas, Nevada, this 21st day of November 1996.

EXHIBIT A

- I. The duties of the Compliance Committee shall be subject to further modification and administrative approvals by the Board and shall be, as a minimum, as follows:
 - (a) To meet annually with the Board or its staff in Nevada or Queensland, Australia, to review major developments affecting Hilton Hotels Corporations and its

affiliates over the preceding year and its compliance with any conditions imposed by the Commission;

- (b) To assure that the Board has access to any requested records maintained by Hilton Hotels Corporation and its affiliates;
- (c) To assure that all requested copies including, but not limited to, annual audited financial statements on the Queensland operations have been timely filed with the Board;
- (d) To meet quarterly for the purpose of reviewing the activities of Hilton Hotels Corporation and its affiliates and to thereafter provide a report, certified pursuant to NGC Regulation 10.120, which shall include: a statement of any business association with any person found to be unsuitable; a statement regarding all material civil litigation instituted against it or its affiliates; a statement of any formal criminal charges which have been filed against any director, officer or key employee of it or its affiliates; a statement regarding any formal allegations or charges by an officer of any government that Hilton Hotels Corporation, any affiliate thereof, or any director, officer or key employee thereof, has been or is in violation of any law; a statement regarding any significant changes in the combined financial position of it or its affiliates; and such other information from time to time as may be requested by the Board or Commission.
- (e) To conduct such other reviews and investigations and to make such reports as from time to time may be requested by the Board or Commission.

II. The Internal Reporting System shall be designed to monitor activities of Hilton Hotels Corporation and its affiliates, to identify and thus avoid objectionable associations. Said System and any amendments thereto shall be subject to the administrative approval of the Board. The Compliance Committee shall be responsible for the administration of the System and shall meet at least once each quarter to review the reports of the System and take whatever action is deemed necessary. Minutes of the meetings shall be incorporated into the reports required pursuant to I(d) above.