

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

STARWOOD HOTELS & RESORTS WORLDWIDE, INC.  
AND  
STARWOOD HOTELS & RESORTS

(Delayed Public Offering)

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ORDER

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. and Starwood Hotels & Resorts (hereinafter, collectively referred to as "Starwood") for approval of a continuous or delayed public offering by Starwood or any affiliated company wholly owned by it which is or would thereby become a publicly traded corporation (hereinafter referred to as "Affiliate");

b. The application of ITT Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of ITT Sheraton Corporation, pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval;

c. The application of ITT Sheraton Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Sheraton Gaming Corporation, pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval;

d. The application of Sheraton Gaming Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Sheraton Desert Inn Corporation, pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval;

e. 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 of Caesars Palace Corporation, pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval;

f. 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., pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval;

g. 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., pursuant to a public offering made by Starwood or its Affiliate(s) under the continuous or delayed public offering approval; and

h. The applications of Sheraton Desert Inn Corporation, Desert Palace, Inc., and Tele/Info, Inc. for approval to guarantee securities issued by, or to hypothecate assets to

secure the payment or performance of any obligations evidenced by, securities issued by Starwood or its Affiliate(s), pursuant to a public offering made by them under the continuous or delayed public offering approval.

2. THAT for a period of two years Starwood and any Affiliate(s) are hereby granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the two year period, Starwood and its Affiliate(s) shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934;

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, Starwood and its 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 Starwood 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.

3. 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 2(c) above.

4. THAT for a period of two years ITT Corporation is hereby 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, pursuant to a public offering made under the approval granted by paragraph 2 of this Order.

5. THAT for a period of two years ITT Sheraton Corporation is hereby 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 Sheraton Gaming Corporation, pursuant to a public offering made under the approval granted by paragraph 2 of this Order.

6. THAT for a period of two years Sheraton Gaming Corporation is hereby 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 Sheraton Desert Inn Corporation, pursuant to a public offering made under the approval granted by paragraph 2 of this Order.

7. THAT for a period of two years Caesars World, Inc., is hereby 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 Caesars Palace Corporation, pursuant to a public offering made under the approval granted by paragraph 2 of this Order.

8. THAT for a period of two years Caesars Palace Corporation is hereby 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 Desert Palace, Inc., pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

9. THAT for a period of two years Desert Palace, Inc. is hereby granted approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

10. THAT for a period of two years Sheraton Desert Inn Corporation, Desert Palace, Inc., and Tele/Info, Inc., are each granted approval, pursuant to NGC Regulation 16.100(3), to

guarantee securities issued by Starwood or its Affiliate(s) pursuant to a public offering made under the approval granted by paragraph 2 of this Order, and to hypothecate assets to secure the payment or performance of the obligations evidenced by securities issued by Starwood or its Affiliate(s) pursuant to a public offering made under the approval granted by paragraph 2 of this Order.

11. THAT the terms and conditions of this Starwood Delayed Public Offering Order shall be effective upon the effectiveness of the terms and conditions of the Starwood Hotels & Resorts Worldwide, Inc., Starwood Hotels & Resorts, ITT Corporation and Caesars World, Inc. Revised Orders of Registration. If such Revised Orders of Registration never become effective, then this Starwood Hotels & Resorts Worldwide, Inc. Delayed Public Offering Order shall never become effective.

ENTERED at Las Vegas, Nevada, this 19<sup>th</sup> day of February 1998.