

RESOLUTION 1999-8

A RESOLUTION CONCERNING THE REQUEST OF WATERFRONT ENTERTAINMENT AND DEVELOPMENT INC. TO RECOGNIZE A CHANGE IN OWNERSHIP AND A REQUEST OF SHOWBOAT INC. AND WATERFRONT ENTERTAINMENT AND DEVELOPMENT INC. TO TRANSFER ITS OWNERSHIP INTEREST IN SHOWBOAT MARINA CASINO PARTNERSHIP TO HARRAH'S OPERATING COMPANY, INC.

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. Waterfront Entertainment and Development Inc. ("Waterfront") owns Forty-five percent (45%) of the equity interests in Showboat Marina Casino Partnership. Waterfront is composed of thirteen (13) shareholders holding varying amounts of shares. The following shareholders are requesting to transfer their shares, in the percentage amounts listed below, into the following trusts:

A. Margaret Louise Pannos Trust	8.89%
B. Michael A. Pannos Trust	28.44%
C. Samuel L. Capps Trust	4.44%
D. Elizabeth Capps Trust	12.52%
E. Thomas S. Capps Grantor Trust	15.93%

Due to the fact that no new key persons or substantial owners are being introduced as a result of this change in ownership, the transferring shareholders request the Commission waive the normal transfer of ownership procedures and attendant back ground investigations and approve this change. If approved by the Commission, the true and accurate ownership of Waterfront will be as shown in Exhibit "A" attached to this RESOLUTION.

2. Showboat Inc. owns Fifty-five percent (55%) of the equity interests in Showboat Marina Casino Partnership.
3. Subject to Commission approval, Harrah's Operating Company, Inc. has acquired a Ninety-nine point Fifty-five percent (99.55%) equity interest in Showboat Marina Casino Partnership through the purchase of all Fifty-five percent (55%) of Showboat Inc.'s equity interest and Forty-four point Fifty-five percent (44.55%) of the Forty-five percent (45%) equity interest held by Waterfront. Harrah's Operating Company, Inc. is the wholly-owned operating company of Harrah's Entertainment Inc.

4. In conjunction with the purchase of the equity interest in Showboat Marina Casino Partnership, Harrah's Operating Company, Inc. has commenced a tender offer for all outstanding 13 ½% First Mortgage Bonds due 2003 of Showboat Marina Partnership and Showboat Marina Finance Corporation.
5. The Indiana State Police, Riverboat Investigative Unit has completed a background investigation of Harrah's Entertainment Inc., and has determined that Harrah's Operating Company Inc. is suitable to hold an ownership interest in the riverboat owner's license issued to Showboat Marina Casino Partnership.
6. If approved by the Commission, Harrah's Entertainment Inc. through Harrah's Operating Company, Inc. and its wholly-owned subsidiaries will own Ninety-nine point Fifty-five percent (99.55%) of the license issued to Showboat Marina Casino Partnership.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:

SECTION 1. SCOPE.

This resolution applies to Waterfront Entertainment and Development, Inc., Showboat Inc., Showboat Marina Casino Partnership, Harrah's Entertainment Inc. and Harrah's Operating Company Inc.

SECTION 2. DEFINITIONS.

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

SECTION 3. ACTION ON REQUEST FOR APPROVAL OF CHANGE IN OWNERSHIP BY WATERFRONT.

The Commission hereby:

GRANTS

GRANTS OR DENIES

the request of Waterfront to approve the transfer of shares into trusts by Margaret Louise Pannos, Michael A. Pannos, Samuel L. Cappas, Elizabeth Cappas, and Thomas S. Cappas.

SECTION 4. ACTION ON REQUEST FOR APPROVAL OF TRANSFER OF OWNERSHIP INTERESTS AND TENDER OFFER BY HARRAH'S OPERATING COMPANY, INC.

The Commission hereby:

GRANTS

GRANTS OR DENIES

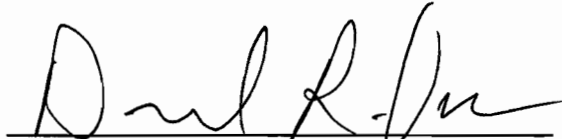
the application of Harrah's Entertainment Inc., through Harrah's Operating Company, Inc. for the acquisition of the Forty-four point Fifty-five percent (44.55%) of the ownership interest in Showboat Marina Casino Partnership through the acquisition of Waterfront, and Fifty-five percent (55%) of the ownership interest in Showboat Marina Casino Partnership through the acquisition of Showboat Inc., and the tender offer of Harrah's Operating Company, Inc. for all outstanding 13 ½% First Mortgage Bonds due 2003 of Showboat Marina Partnership and Showboat Marina Finance Corporation.

SECTION 5. EFFECTIVE DATE.

This RESOLUTION is effective immediately.

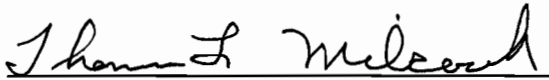
ADOPTED THIS THE 26th DAY OF FEBRUARY 1999:

THE INDIANA GAMING COMMISISON:



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary