

LOUISIANA GAMING CONTROL BOARD

Minutes of December 29, 1998

APPROVED

2/18/99

The Louisiana Gaming Control Board held a meeting on Tuesday, December 29, 1998, 10:00 a.m., at the Louisiana State Capitol, House Committee Room 6.

Present at this meeting were Hillary J. Crain, Chairman; Robert Fleming, Vice-Chairman; James Boyer, Marcia Morgan, Dudley Lastrapes and Rupert Richardson. Absent were board members Ralph Perlman, Sec.-Treasurer; Sherian Cadoria, Ecotry Fuller and ex-officio members, Col. W.R. "Rut" Whittington and Sec. John Kennedy.

The meeting was called to order by the Chairman. He began by explaining that Hilton, who owns 49.9 percent of the Belle of Orleans, had petitioned the Board for a spin-off of its gaming assets, and a subsequent merger with Grand Casinos, Inc. Chairman Crain stated that this was not a new license, but merely a transfer of ownership interest in a previously licensed company.

Metro Riverboats Associates, whose sole owner is Norbert Simmons, owns 50.1 percent of the Belle of Orleans. Metro Riverboats filed both a motion to continue the matter and a motion to recuse the Chairman from acting on the petition filed by Hilton.

Speaking on behalf of Metro Riverboats Associates were Mr. Richard Goins, Mr. John Cummings, Mr. Chris Pickren and Mr. Norbert Simmons. Speaking on behalf of Hilton were Mr. David Steiner, Mr. Tom Gallagher and Mr. Tom Baltimore.

It was moved by Mr. Boyer, seconded by Ms. Richardson, to deny both the motion to continue and the motion for recusal of the Chairman. Both motions were unanimously adopted by the Board. The Chairman did not vote since one of these motions concerned him.

Mr. Scott LaPorta, C.F.O. of Park Place, explained in detail to board members the structure of the spin-off. He stated that the management structure of Bally's Belle of Orleans would not change as a result of this transaction.

Lt. Dane Morgan, Supervisor in Riverboat Gaming, Ms. Lonna Willingham, auditor with riverboat gaming and Mr. Gus Bourgeois, Asst. Attorney General in the gaming division, reported on the financial aspects and suitability investigations.

Following the presentations, it was moved by Mr. Lastrapes to approve the Resolution with reference to the Petition. That motion was seconded by Ms. Morgan and unanimously approved by the Board. The Resolution is attached to these minutes as exhibit number one.

There being no further business, it was moved by Vice-Chairman Fleming to adjourn. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The meeting was then adjourned.



State of Louisiana
Gaming Control Board

M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHAIRMAN

RESOLUTION

BE IT RESOLVED:

I.

That after a Public Hearing held on the 29th day of December, 1998, the Louisiana Gaming Control Board (LGCB) does hereby conditionally approve the "spin off" by Hilton Hotels Corporation of its gaming business into a new company entitled Park Place Entertainment Corporation (Park)

II.

That the Louisiana Gaming Control Board further conditionally approves the merger/acquisition of Grand Casino, Inc. by Park resulting in Hilton Hotels Corporation shareholders owning 86.4 percent of Park and Grand Casino, Inc. shareholders owning the remaining 13.6 percent.

III.

That the spin off and merger is subject to the following conditions which are agreed to by the signature of a duly authorized agent of Hilton Hotels Corporation on this resolution, to wit:

- A. That within 30 days of this conditional approval Park submit to the Division a Part A application and all attachments required by the Division;
- B. That Park be found suitable;

- C. That Park expressly acknowledge through signature on this resolution by an authorized agent that Park accepts and assumes continuing responsibility for any unsuitable conduct by Hilton Hotels Corporation, its agents or employees occurring prior to this spin off and merger which in any manner affects the continuing suitability of the licensee, Belle of Orleans, L.L.C.
- D. That Park, through signature on this resolution by a duly authorized agent, acknowledge and accept all regulatory obligations of Hilton Hotels Corporation (financial or otherwise) with reference to the licensee, Belle of Orleans, L.L.C.
- E. That the approval remain conditional until the renewal of Belle of Orleans, L.L.C. receives final Board approval.

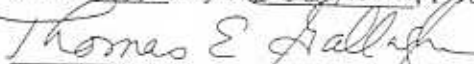
ADOPTED ON THIS 29 day of December, 1998.

LOUISIANA GAMING CONTROL BOARD

BY:


HILLARY J. CRAIN
CHAIRMAN

Accepted by Hilton Hotels Corporation, Inc.
on the 29 day of December, 1998



AUTHORIZED AGENT

EXEC VICE PRESIDENT

Accepted by Park Place Entertainment
Corporation on the 29 day of Dec, 1998



AUTHORIZED AGENT