

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER

THE SECURITIES ACT OF 1933

HARRAH'S ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	7993 (Primary Standard Industrial Classification Code Number) 1023 CHERRY ROAD MEMPHIS, TENNESSEE 38117 (901) 762-8600	62-1411755 (I.R.S. Employer Identification Number)
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HARRAH'S OPERATING COMPANY, INC.
(Exact name of registrant as specified in governing instruments)

DELAWARE (State or other jurisdiction of incorporation or organization)	7993 (Primary Standard Industrial Classification Code Number) 1023 CHERRY ROAD MEMPHIS, TENNESSEE 38117 (901) 762-8600	75-1941623 (I.R.S. Employer Identification Number)
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(Name, address, including zip code, and telephone number, including area code,
of agent for service)

E. O. ROBINSON, JR., ESQ.
GENERAL COUNSEL
HARRAH'S ENTERTAINMENT, INC.
1023 CHERRY ROAD
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(901) 762-8600

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

COPY TO:
JOHN M. NEWELL, ESQ.
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LOS ANGELES, CALIFORNIA 90071-2007
(213) 485-1234

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to
time after this Registration Statement becomes effective as determined by market
conditions and other factors.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, please check the following
box. / /

If any of the securities being registered on this Form are to be offered on a
delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. X

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$0.10 per share, of Harrah's Entertainment(2).....				
Debt Securities of Harrah's Operating....	>\$200,000,000(4)	N/A(5)	> \$200,000,000	\$68,966(6)
Preferred Stock, par value \$0.10 per share, of Harrah's Operating(3).....				
Guarantee of the Debt Securities by Harrah's Entertainment.....	--	--	--	(7)

- (1) The aggregate maximum public offering price of all securities issued pursuant to this Registration Statement will not exceed \$200,000,000.
- (2) Such indeterminate number of shares of Common Stock as may from time to time be issued at indeterminate prices.
- (3) Such indeterminate number of shares of Preferred Stock as may from time to time be issued at indeterminate prices.
- (4) Or, if any Debt Securities are issued at an original issue discount, such greater principal amount as shall result in an aggregate offering price equal to \$200,000,000.
- (5) Omitted pursuant to General Instruction II.D of Form S-3 under the Securities Act of 1933, as amended.
- (6) The registration fee has been calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
- (7) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee is payable for the Guarantee.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

PROSPECTUS

SUBJECT TO COMPLETION, DATED SEPTEMBER 20, 1995

\$200,000,000
 HARRAH'S ENTERTAINMENT, INC.
 COMMON STOCK
 HARRAH'S OPERATING COMPANY, INC.
 DEBT SECURITIES
 PREFERRED STOCK

Harrah's Entertainment, Inc., a Delaware corporation ("Harrah's Entertainment"), may offer from time to time shares of its common stock, par value \$0.10 per share (the "Common Stock"), and its wholly-owned subsidiary, Harrah's Operating Company, Inc., a Delaware corporation ("Harrah's Operating"), may offer from time to time in one or more series (i) its debt securities consisting of debentures, notes or other evidence of indebtedness (the "Debt Securities") or (ii) shares of its preferred stock, par value \$ per share (the "Preferred Stock"), in amounts as may be sold for an aggregate public offering price of up to \$200,000,000 on terms to be determined at the time of the offering. At the option of Harrah's Operating, the Debt Securities may be issued as senior secured Debt Securities, as senior unsecured Debt Securities, as senior subordinated Debt Securities or as subordinated Debt Securities, and in any combination thereof. The payment of principal and interest with respect to the Debt Securities will be unconditionally guaranteed by Harrah's Entertainment. See "Description of Debt Securities--Guarantee." With respect to the Preferred Stock, the payment of dividends, if and to the extent declared out of monies held by Harrah's Operating and legally available therefor, and payments on liquidation or redemption will be guaranteed by Harrah's Entertainment to the extent described herein. See "Description of Preferred Stock--Guarantee." The Common Stock, Debt Securities and Preferred Stock (collectively, the "Securities") may be offered separately or together, in separate series, in amounts, at prices and on terms determined by market conditions at the time of sale and to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement").

The specific terms of the Securities for which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement which will include, where applicable: (i) in the case of Common Stock, any initial public offering price; (ii) in the case of Debt Securities, the specific title, aggregate principal amount, form (which may be certificated or global), authorized denominations, maturity (which may be fixed or extendible), interest rate or rates (which may be fixed or variable) (or manner of calculation thereof), if any, the time of payment of interest, if any, any terms of redemption at the option of Harrah's Operating or repayment at the option of the holder, any terms for sinking fund payments, additional covenants, initial public offering price, purchase price and other terms with respect to the Debt Securities; and (iii) in the case of Preferred Stock, the specific designation and stated value per share, any dividend, liquidation, redemption, voting and other rights, the terms of Harrah's Entertainment's guarantee and any initial public offering price. The Debt Securities may be issued as Original Issue Discount Securities to be sold at a substantial discount below their principal amount and, if issued, certain terms thereof will be set forth in the Prospectus Supplement related thereto. See "Description of Debt Securities."

The applicable Prospectus Supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to, and any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO GAMING REGULATORY AUTHORITY HAS PASSED
UPON THE ACCURACY OR ADEQUACY
OF THIS PROSPECTUS.

The Securities may be offered directly to one or more purchasers, through agents designated from time to time by the offeror or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of the Securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set forth, in the applicable Prospectus Supplement. See "Plan of Distribution." No Securities may be sold without delivery of a Prospectus Supplement describing the method and terms of the offering of such Securities.

THE DATE OF THIS PROSPECTUS IS , 1995

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BECOME EFFECTIVE. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY STATE.

AVAILABLE INFORMATION

Harrah's Entertainment and Harrah's Operating have filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of the Securities offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain items of which are contained in exhibits and schedules to, or incorporated by reference in, the Registration Statement as permitted by the rules and regulations of the Commission. For further information with respect to Harrah's Entertainment and Harrah's Operating and the Securities offered hereby, reference is made to the Registration Statement, including the exhibits thereto, and financial statements and notes filed as a part thereof or incorporated by reference therein. Statements made in this Prospectus concerning the contents of any document referred to herein are not necessarily complete. With respect to each such document filed with the Commission as an exhibit to, or incorporated by reference in, the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

Harrah's Entertainment and Harrah's Operating are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In accordance therewith, Harrah's Entertainment files consolidated reports, proxy statements and other information with the Commission. Reports, proxy statements and other information filed by Harrah's Entertainment may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60606, and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may be obtained by mail from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, such material may also be inspected and copied at the offices of the New York, Midwest, Pacific and Philadelphia Stock Exchanges, on which exchanges the Common Stock of Harrah's Entertainment is listed.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents have been filed with the Commission and are incorporated by reference in this Prospectus: (i) Annual Report on Form 10-K of The Promus Companies Incorporated ("Promus") (File No. 1-10410), and Promus's Amended Annual Report on Form 10-K/A, for the year ended December 31, 1994 (collectively, the "1994 Harrah's Entertainment Form 10-K/A"), (ii) Promus's Quarterly Report on Form 10-Q for the period ended March 31, 1995, (iii) Form 8-K of Promus, filed with the Commission on May 19, 1995, (iv) Form 8-K of Promus, filed with the Commission on May 31, 1995, (v) Form 8-K of Promus, filed with the Commission on June 15, 1995, (vi) Harrah's Entertainment's Quarterly Report on Form 10-Q for the period ended June 30, 1995, (vii) Form 8-K of Harrah's Entertainment, filed with the Commission on July 7, 1995 and (viii) the section entitled "Description of Promus--Description of Promus Capital Stock" in the Proxy Statement, dated December 13, 1989, of Holiday Corporation. All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated herein by reference and to be a part hereof from the respective dates of filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of all documents which are incorporated herein by reference (not including the exhibits to such information, unless such exhibits are specifically incorporated by reference in such information) will be provided without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request. Copies of this Prospectus, as amended or supplemented from time to time, and any other documents (or parts of documents) that constitute part of the Prospectus under Section 10(a) of the Securities Act will also be provided without charge to each such person, upon written or oral request. Requests should be directed to Harrah's Entertainment, Inc., at its principal executive offices at 1023 Cherry Road, Memphis, Tennessee 38117, Attention, Corporate Secretary, (901) 762-8600.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE CHICAGO STOCK EXCHANGE, THE NEW YORK STOCK EXCHANGE, THE PACIFIC STOCK EXCHANGE AND THE PHILADELPHIA STOCK EXCHANGE (IN THE CASE OF COMMON STOCK), IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

The Company is one of the leading casino entertainment companies in the United States. Until June 1995, Harrah's Entertainment existed under the name "The Promus Companies Incorporated." As part of the spin-off by Promus of its hotel business, Promus Hotel Corporation, on June 30, 1995, Promus changed its name to Harrah's Entertainment, Inc., and Promus's wholly-owned subsidiary, Embassy Suites, Inc., changed its name to Harrah's Operating Company, Inc. Harrah's Entertainment is a holding company, the principal asset of which is the capital stock of Harrah's Operating. Harrah's Operating directly owns certain of the assets and directly and indirectly owns the stock of certain subsidiaries which operate the Company's business. Unless the context otherwise requires, the "Company" refers to Harrah's Entertainment, Inc., together with its subsidiaries, "Harrah's Entertainment" refers to Harrah's Entertainment, Inc., and "Harrah's Operating" refers to Harrah's Operating Company, Inc. The principal executive offices of Harrah's Entertainment and Harrah's Operating are located at 1023 Cherry Road, Memphis, Tennessee 38117, telephone (901) 762-8600.

The Company has, through existing and predecessor entities, been in the casino entertainment business for more than 57 years and is unique among casino entertainment companies in its broad geographic diversification. The Company operates casino hotels in the five traditional U.S. gaming markets of Reno, Lake Tahoe, Las Vegas and Laughlin, Nevada and Atlantic City, New Jersey. The Company also operates a temporary land-based casino in New Orleans, Louisiana; riverboat casinos in Joliet, Illinois; dockside casinos in Vicksburg and Tunica, Mississippi, Shreveport, Louisiana and North Kansas City, Missouri; limited stakes casinos in Central City and Black Hawk, Colorado; and a casino on an Indian reservation near Phoenix, Arizona. The Company also has under development a permanent land-based casino in New Orleans, Louisiana (under development by a partnership in which the Company is a general partner) to replace the existing temporary casino in that city, a land-based casino in Auckland, New Zealand under development by a company in which the Company owns an interest, a riverboat casino in Maryland Heights (near St. Louis), Missouri, and a casino on an Indian reservation in the State of Washington. The Company also owns a 13.8% interest in Sodak Gaming, Inc., a leading distributor of electronic gaming machines and gaming-related products and systems, and a 75% interest in a partnership that owns the approximately 52-acre Station Square site across from the Golden Triangle in Pittsburgh, on which the partnership plans to develop a casino entertainment facility if casino gaming is legalized in that jurisdiction. As of June 30, 1995, the Company operated a total of approximately 600,000 square feet of casino space, 18,200 slot machines, 875 table games, 5,345 hotel rooms or suites, approximately 76,000 square feet of convention space, 48 restaurants, five showrooms and four cabarets, at casino facilities which are wholly owned by the Company, partially owned by the Company, or owned by a third party and managed by the Company.

RATIO OF EARNINGS TO FIXED CHARGES

The following are the consolidated ratios of earnings to fixed charges for the Company for the six months ended June 30, 1995 and each of the fiscal years 1994, 1993, 1992, 1991 and 1990.

SIX MONTHS ENDED	1994	1993	1992	1991	1990
JUNE 30, 1995	1994	1993	1992	1991	1990
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1.8	2.0	2.6	2.0	1.6	1.5

For purposes of computing this ratio, earnings consist of income before income taxes plus fixed charges (excluding capitalized interest) and minority interests (relating to subsidiaries whose fixed charges are included in the computation), excluding equity in undistributed earnings of less than 50% owned investments. Fixed charges include interest whether expensed or capitalized, amortization of debt expense, discount or premium related to indebtedness and such portion of rental expense deemed by the Company to be representative of interest. Where applicable, both earnings and fixed charges

have been adjusted to include 100% of the financial results of the Company's nonconsolidated, majority-owned subsidiary.

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of the Securities for general corporate purposes, including acquisitions, capital expenditures and working capital requirements; to repay, redeem or repurchase outstanding indebtedness; or for such other purposes as may be specified in the Prospectus Supplement. A description of any indebtedness to be refinanced with the proceeds of the Debt Securities will be set forth in the applicable Prospectus Supplement.

DESCRIPTION OF COMMON STOCK

The description of the Common Stock set forth below does not purport to be complete and is qualified in its entirety by reference to Harrah's Entertainment's Certificate of Incorporation (the "Harrah's Entertainment Certificate") and Bylaws (the "Harrah's Entertainment Bylaws").

GENERAL

The Harrah's Entertainment Certificate authorizes the issuance of up to 360,000,000 shares of Common Stock with a par value of \$0.10 per share. On July 31, 1995, Harrah's Entertainment had 102,586,669 shares of Common Stock issued and outstanding. In addition, Harrah's Entertainment has reserved for issuance under its 1990 Stock Option Plan and 1990 Restricted Stock Plan an aggregate of 9,954,562 shares of Common Stock.

Subject to the limitations contained in the Company's debt instruments and after provision for the payment of dividends on any series of preferred stock which might be issued and which has a preference with respect to the payment of dividends, holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors of Harrah's Entertainment out of funds legally available for such purpose.

The holders of shares of Common Stock are entitled in the event of any liquidation, dissolution or winding up of the affairs of Harrah's Entertainment to share pro rata in all lawful distributions of the remaining assets of Harrah's Entertainment.

The holders of Common Stock will be entitled to one vote per share. Stockholders are not entitled to cumulative voting rights in the election of directors.

All shares of Common Stock now outstanding are, and additional shares of Common Stock offered will be when issued, fully paid and non-assessable. The Common Stock has no conversion rights. No holder of Common Stock has any preemptive right to subscribe for any stock or other securities of Harrah's Entertainment which may be issued.

REDEMPTION

The Common Stock can be redeemed by Harrah's Entertainment if, among other circumstances, in the judgment of the Board of Directors such redemption is necessary to avoid any regulatory sanctions against, or to prevent the loss of, or to secure the reinstatement of, any license, franchise or entitlement from any governmental agency held by Harrah's Entertainment, any affiliate of Harrah's Entertainment, or any entity in which Harrah's Entertainment or an affiliate is an owner, which license, franchise or entitlement is needed to conduct any portion of the business of Harrah's Entertainment, any such affiliate or other entity or which license, franchise or entitlement is conditioned upon some or all of the holders of Common Stock possessing prescribed qualifications.

RIGHTS AND SPECIAL STOCK

Harrah's Entertainment currently has 5,000,000 authorized shares of special stock, par value \$1.12 1/2 per share ("Special Stock"). The Board of Directors has the authority, without further action by stockholders, to determine the rights, preferences and privileges of the unissued Special Stock. Provisions could be included in the shares of Special Stock, such as extraordinary voting, dividend, redemption or conversion rights, which could discourage an unsolicited tender offer or takeover proposal.

Attached to each share of Common Stock is one-third of a right ("Right") entitling the registered holder to purchase from Harrah's Entertainment, for each whole Right, one two-hundredth of a share (a "Unit") of Series B Special Stock, par value \$1.12 1/2 per share (the "Series B Stock") at a purchase price of \$125.00 per unit (the "Purchase Price"), subject to adjustment. The Purchase Price shall be paid in cash or by certified bank check or bank draft payable to the order of Harrah's Entertainment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between Harrah's Entertainment and The Bank of New York, as rights agent.

Rights are attached to all Common Stock certificates representing outstanding shares. The Rights detach from the Common Stock and are distributed to holders of Common Stock upon a date (the "Rights Distribution Date") which is the earlier of (i) ten days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired or obtained the right to acquire, beneficial ownership of 20% or more of the outstanding shares of Common Stock ("the Stock Acquisition Date"), or (ii) ten business days following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 30% or more of such outstanding shares of Common Stock. The Board of Directors may postpone such Rights Distribution Date beyond the earlier of the dates set forth in the preceding sentence upon the vote of a majority of the directors who are not Acquiring Persons or affiliated or associated with an Acquiring Person (the "Continuing Directors"). Until the Rights Distribution Date (or earlier redemption or expiration of the Rights), (i) the Rights are evidenced by the Common Stock certificates and are transferred with and only with such certificates, (ii) new Common Stock certificates will contain a notation incorporating the Rights Agreement by reference, (iii) the surrender for transfer of any certificates for Common Stock outstanding will also constitute the transfer of the Rights associated with the shares represented by such certificates, and (iv) Rights shall be issued in respect of all shares of Common Stock which are issued after the Distribution. Except as otherwise determined by the Board of Directors, only shares of Common Stock issued prior to the Distribution Date will be issued with Rights.

The Rights are not exercisable until the Rights Distribution Date and expire at the close of business on October 5, 1996, unless earlier redeemed by Harrah's Entertainment as described below or upon the occurrence of certain merger or other acquisition transactions approved by the Board of Directors. As soon as practicable after the Rights Distribution Date, Rights Certificates will be mailed to holders of record of shares of Common Stock as of the close of business on the Rights Distribution Date and, thereafter, the separate Rights Certificate alone will represent the Rights.

In the event that, at any time following the Rights Distribution Date, (i) Harrah's Entertainment is the surviving corporation in a merger with an Acquiring Person and its Common Stock is not changed or exchanged or (ii) an Acquiring Person becomes the beneficial owner of more than 20% of the then outstanding shares of Common Stock (except pursuant to an offer for all outstanding shares of Common Stock which a majority of the Continuing Directors determine to be fair to and otherwise in the best interests of stockholders), each holder of a Right will thereafter have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of Harrah's Entertainment) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the occurrence of any of the events set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will be null and void. However, Rights are not exercisable following the occurrence of

any of the events set forth above until such time as the Rights are no longer redeemable by Harrah's Entertainment as set forth below.

For example, at an exercise price of \$125.00 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following an event set forth in the preceding paragraph would entitle its holder to purchase \$250.00 worth of Common Stock (or other consideration, as noted above) for \$125.00. Assuming that the Common Stock had a per share value of \$25.00 at such time, the holder of each valid Right would be entitled to purchase 10 shares of Common Stock for \$125.00.

In the event that, at any time following the Stock Acquisition Date, (i) Harrah's Entertainment is acquired in a merger or other business combination transaction in which Harrah's Entertainment is not the surviving corporation or Common Stock is changed into or exchanged for securities of any other person, cash or other property (other than a merger which follows an offer described in clause (ii) of the second preceding paragraph), or (iii) 50% or more of Harrah's Entertainment's assets or earning power is sold or transferred, each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring or surviving company having a value equal to two times the exercise price of the Right. The events set forth in this paragraph and in the second preceding paragraph are referred to as the "Triggering Events."

The Purchase Price payable, and the number of Units or other securities or property issuable, upon exercise of Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series B Stock, (ii) if holders of the Series B Stock are granted certain rights or warrants to subscribe for Series B Stock or convertible securities at less than the current market price of the Series B Stock, or (iii) upon the distribution to holders of the Series B Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price. In addition, to the extent that Harrah's Entertainment does not have sufficient shares of Common Stock issuable upon exercise of the Rights following the occurrence of a Triggering Event, Harrah's Entertainment may, under certain circumstances, reduce the Purchase Price. No fractional Units will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Series B Stock on the last trading day prior to the date of exercise.

At any time until ten days following the Stock Acquisition Date, Harrah's Entertainment may redeem the Rights in whole, but not in part, at a price of \$0.05 per Right, as such redemption price may be adjusted pursuant to the Rights Agreement. As long as the Rights are redeemable, a majority of the Continuing Directors of Harrah's Entertainment may extend the period for redemption. After the redemption period has expired, Harrah's Entertainment's rights of redemption may be reinstated if an Acquiring Person reduces his beneficial ownership to 10% or less of the outstanding shares of Common Stock in a transaction or series of transactions not involving Harrah's Entertainment. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the \$0.05 redemption price (as adjusted) per Right.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of Harrah's Entertainment, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to Harrah's Entertainment or the holders of Common Stock, such holders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) or for common stock of the acquiring company as set forth above.

DESCRIPTION OF THE DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent to which such general provisions may apply to the Debt Securities will be described in a Prospectus Supplement relating to such Debt Securities.

The Debt Securities may constitute either senior secured debt ("Senior Secured Debt Securities"), senior unsecured debt ("Senior Unsecured Debt Securities"), senior subordinated debt ("Senior Subordinated Debt Securities") or subordinated debt ("Subordinated Debt Securities"), or any combination thereof, of Harrah's Operating. Each such class of Debt Securities will be issued under a separate indenture (the "Senior Secured Debt Indenture," the "Senior Unsecured Debt Indenture," the "Senior Subordinated Debt Indenture," and the "Subordinated Debt Indenture," respectively), between Harrah's Operating, as obligor, Harrah's Entertainment, as guarantor, and one or more trustees (the "Trustee"). The Senior Secured Debt Indenture, the Senior Unsecured Debt Indenture, the Senior Subordinated Debt Indenture and the Subordinated Debt Indenture are sometimes hereinafter referred to individually as an "Indenture" and collectively as the "Indentures."

The terms of the Debt Securities include those stated in the applicable Indenture and those made part of such Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and holders of the Debt Securities are referred to the Indentures and the Trust Indenture Act for a statement thereof. A copy of the form of each Indenture is filed as an exhibit to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the Debt Securities and the Indentures, while including a discussion of all material aspects or features thereof, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Debt Securities and the Indentures, including the definitions therein of certain terms which are not otherwise defined in this Prospectus. Wherever particular provisions or defined terms of the Indentures are referred to, such provisions or defined terms are incorporated herein by reference.

GENERAL

The Indentures will not limit the aggregate principal amount of Debt Securities which may be issued thereunder. Debt Securities may be issued thereunder from time to time as a single series or in two or more separate series up to the aggregate principal amount from time to time authorized by Harrah's Operating for each series. As of the date of this Prospectus, Harrah's Operating has authorized the issuance under the Indentures of up to \$200 million aggregate principal amount of the Debt Securities. The Debt Securities will be secured senior, unsecured senior, senior subordinated or subordinated obligations or any combination thereof of Harrah's Operating.

The applicable Prospectus Supplement or Prospectus Supplements will describe, among other things, the following terms of the Debt Securities, if applicable to such Debt Securities: (i) the title of the Debt Securities; (ii) any limit on the aggregate principal amount of the Debt Securities and whether they will constitute senior secured, senior unsecured, senior subordinated or subordinated Debt Securities; (iii) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Debt Securities will be issued; (iv) the date or dates on which the principal of the Debt Securities is payable or the method of determination thereof; (v) the rate or rates (which may be fixed or variable) at which the Debt Securities will bear interest (which rate may be zero in the case of certain Debt Securities issued at an issue price representing a discount from the principal amount payable at maturity), and the date or dates from which such interest, if any, will accrue, and the circumstances, if any, in which Harrah's Operating may defer interest payments; (vi) the Interest Payment Dates, if any, on which any interest on the Debt Securities will be payable, and the Regular Record Date for any

interest payable on any Debt Securities; (vii) the right or obligation, if any, of the Company to redeem or purchase Debt Securities pursuant to any sinking fund or analogous provisions or at the options of a holder thereof, or otherwise, the conditions, if any, giving rise to such right or obligation, and the period or periods within which, and the price or prices at which and the terms and conditions upon which Debt Securities shall be redeemed or purchased, in whole or part, and any provisions for the marketing of such Debt Securities; (viii) if the amount of payments of principal of, premium, if any, and interest, if any, on the Debt Securities is to be determined by reference to an index, formula or other method, the manner in which such amounts are to be determined and the calculation agent, if any, with respect thereto; (ix) if other than the principal amount thereof, the portion of the principal amount of the Debt Securities which will be payable upon declaration or acceleration of the Maturity thereof pursuant to an Event of Default; (x) whether the Debt Securities will be issued in certificated or book-entry form and, if so, the identity of the depository for the Debt Securities; (xi) any listing of the Debt Securities on a securities exchange; (xii) any additional restrictive covenants included for the benefit of Holders of such Debt Securities; (xiii) any additional events of default provided with respect to such Debt Securities; and (xiv) any other material terms of the Debt Securities. Any such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Debt Securities.

Harrah's Operating is dependent on the receipt of dividends or other payments from its subsidiaries to make payments on interest and principal on the Debt Securities. Neither the Indentures nor any other material contract restricts subsidiaries of Harrah's Operating from making dividends or distributions to Harrah's Operating.

GAMING REGULATION

The casino entertainment operations of the Company are subject to extensive regulation by federal, state and local authorities in several jurisdictions. See "Business and Properties -- Governmental Regulation" in the 1994 Harrah's Entertainment Form 10-K/A, incorporated by reference herein. The Indentures provide that if a Holder or a beneficial owner of Debt Securities is required to qualify under the gaming laws of any jurisdiction to which Harrah's Operating or Harrah's Entertainment or any of their Subsidiaries is subject and does not so qualify, such Holder must dispose of his interest in the Debt Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authorities, or the Company will have the right to redeem such Debt Securities. The Indentures will require the Trustee to report the names of the record Holders of the Debt Securities to any gaming authority when required by law.

GUARANTEE

Harrah's Entertainment irrevocably and unconditionally will guarantee the payment of all obligations of Harrah's Operating under the Debt Securities. Rights of Holders pursuant to such Guarantee of the Senior Subordinated Debt Securities and the Subordinated Debt Securities will be subordinate to the rights of holders of the Senior Debt of Harrah's Entertainment to payment in full in the same manner as the rights of Holders of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively, are subordinate to those of the Senior Debt of Harrah's Operating. Subject to the subordination provisions of the Senior Subordinated Debt Indenture and the Subordinated Debt Indenture (in the case of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively), if Harrah's Operating defaults in the payment of the principal of, premium, if any, or interest on such Debt Securities when and as the same shall become due, whether upon maturity, acceleration, call for redemption or otherwise, without the necessity of action by the Trustee or any Holder of such Debt Securities, Harrah's Entertainment shall be required promptly and fully to make such payment. The Indentures provide for the release of the Guarantor in certain circumstances, including (i) Harrah's Operating ceases to be a wholly owned Subsidiary of Harrah's Entertainment, or

(ii) a transfer by Harrah's Operating of all or substantially all of its assets or a merger of Harrah's Operating which transfer or merger is governed by the "Limitation on Merger, Sale or Consolidation" covenant, and in connection with which the transferee entity assumes Harrah's Operating's obligations under the Indentures and such transfer or merger otherwise complies with the requirements of such covenant.

Harrah's Entertainment conducts substantially all of its business through Harrah's Operating and its subsidiaries and does not own any material assets other than all of the stock of Harrah's Operating. Harrah's Entertainment's obligations under the Guarantee are as a secondary obligor, and such obligations are subordinated to all present and future Senior Debt of Harrah's Entertainment, as described above. Harrah's Entertainment is presently dependent on the receipt of dividends or other payments from Harrah's Operating to make payments on the Guarantee of the Debt Securities.

SUBORDINATION

The indebtedness evidenced by the Senior Subordinated Debt Securities and the Subordinated Debt Securities (including principal, premium, if any, and interest) will be subordinated in right of payment, as set forth in the applicable Indentures, to the rights of holders of all Senior Debt of Harrah's Operating to prior payment in full, whether outstanding on the date of such Indentures or thereafter created, incurred, assumed or guaranteed.

As of June 30, 1995, the amount of outstanding Senior Debt of Harrah's Operating was \$460.4 million and the amount of outstanding Senior Debt of Harrah's Entertainment was \$429.2 million (which amounts include \$305.0 million of debt incurred by Harrah's Operating's subsidiaries and guaranteed by Harrah's Entertainment and Harrah's Operating).

The Senior Subordinated Debt Indenture and Subordinated Debt Indenture provide that no payment may be made on account of principal of, premium, if any, or interest on the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively, by Harrah's Operating (or with respect to the Guarantees thereof in the case of Harrah's Entertainment), or to acquire any of such Debt Securities (pursuant to such Guarantees in the case of Harrah's Entertainment), for cash or property (other than Capital Stock of Harrah's Operating, or Harrah's Entertainment with respect to such Guarantees), or on account of the redemption provisions of such Debt Securities by Harrah's Operating (or with respect to such Guarantees in the case of Harrah's Entertainment), (i) upon the maturity of any Senior Debt by lapse of time, acceleration or otherwise, unless and until all principal of and interest on such Senior Debt and all other obligations in respect thereof are first paid in full in cash or cash equivalents or such payment duly is provided for, or (ii) in the event of default in the payment of any principal of, premium, if any, or interest on any Senior Debt when it becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, unless and until such payment default has been cured or waived or otherwise has ceased to exist.

Upon the happening of a default (any event that, after notice or passage of time would be an event of default) or an event of default (any event that permits the holders of Senior Debt or their representative immediately to accelerate its maturity) with respect to any Senior Debt, other than a default in payment of the principal of, premium, if any, or interest on the Senior Debt, or if an event of default would result upon any payment with respect to the Senior Subordinated Debt Securities or the Subordinated Debt Securities (or pursuant to the Guarantees thereof with respect to Harrah's Entertainment), upon written notice of (i) the default given to Harrah's Operating, Harrah's Entertainment and the applicable Trustee by the holders of a majority of the principal amount outstanding of the Designated Senior Debt or their representative, or (ii) the event of default given to Harrah's Operating, Harrah's Entertainment and such Trustee by the holders of a majority of the principal amount outstanding of the Designated Senior Debt or their representative, or by any holder of Senior Debt or its representative after such time as there is no Designated Senior Debt, then, unless and until such default

or event of default has been cured or waived or otherwise has ceased to exist, no payment may be made by Harrah's Operating with respect to the principal of or premium, if any, or interest on such Debt Securities in cash or property (or pursuant to such Guarantees with respect to Harrah's Entertainment), or to acquire or repurchase any of such Debt Securities for cash or property (other than Capital Stock of Harrah's Operating, or Harrah's Entertainment pursuant to such Guarantees), or on account of the redemption provisions of such Debt Securities (or pursuant to such Guarantees with respect to Harrah's Entertainment). Notwithstanding the foregoing, unless the Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default, or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, Harrah's Operating (and Harrah's Entertainment, with respect to such Guarantees) is required then to pay all sums not paid to the Holders of such Senior Subordinated Debt Securities or Subordinated Debt Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on such Debt Securities. Any number of such notices may be given; provided, however, that (i) during any 360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days in each 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

In the event that, notwithstanding the foregoing, any payment or distribution of assets of Harrah's Operating, whether in cash, property or securities (other than Capital Stock of Harrah's Operating), shall be received by the applicable Trustee or the Holders of the Senior Subordinated Debt Securities or the Subordinated Debt Securities before all Senior Debt is paid in full, such payment or distribution shall be held in trust for the benefit of the holders of, and shall be paid or delivered by such Trustee or such Holders, as the case may be, to the holders of the Senior Debt remaining unpaid or unprovided for or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any or such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

Upon any distribution of assets of Harrah's Operating (or Harrah's Entertainment with respect to the Guarantees of the Senior Subordinated Debt Securities and the Subordinated Debt Securities) upon any dissolution, winding up, total or partial liquidation or reorganization or readjustment of Harrah's Operating or Harrah's Entertainment, as applicable, whether voluntary or involuntary, in bankruptcy, insolvency, receivership or a similar proceeding or upon assignment for the benefit of creditors, or any other marshaling of the assets and liabilities of Harrah's Operating or otherwise, (i) the holders of all Senior Debt would first be entitled to receive payment in full in cash or cash equivalents before the Holders of such Senior Subordinated Debt Securities and Subordinated Debt Securities would be entitled to receive any payment on account of the principal of, premium, if any, and interest on such Debt Securities or in respect of the Redemption Price and (ii) any payment or distribution of assets of Harrah's Operating (or Harrah's Entertainment, as applicable), of any kind or character, whether in cash, property or securities (other than Capital Stock), to which such Holders or the Trustee on behalf of such Holders would be entitled, except for the subordination provisions contained in the applicable Indenture, would be paid by the liquidating trustee or agent or other person making such a payment of distribution directly to the holders of Senior Debt to the extent necessary to make payment in full of all Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

No provision contained in the Indentures or the Debt Securities will affect the obligation of Harrah's Operating (and Harrah's Entertainment with respect to the Guarantees of the Debt Securities), which is absolute and unconditional, to pay, when due, principal of, premium, if any, and interest on the Debt Securities, subject to a redemption required by applicable gaming laws as specified above. See "--Gaming Regulation." The subordination provisions of the Senior Subordinated Debt Securities and the Subordinated Debt Securities and any Indenture governing same would not prevent the occurrence of any Event of Default under the applicable Indenture or limit the rights of the Trustee under such Indenture or any Holder of such Debt Securities to pursue any other rights or remedies with respect to the respective Debt Securities.

Because the Debt Securities will not be guaranteed by any of Harrah's Operating's Subsidiaries, the Debt Securities (and the Guarantees thereof, in the case of Harrah's Entertainment) also effectively will be subordinated by operation of law to all liabilities, including trade payables and capitalized lease obligations, if any, of Harrah's Operating's Subsidiaries (and, with respect to Harrah's Entertainment, Harrah's Entertainment's Subsidiaries). Any right of Harrah's Operating or Harrah's Entertainment to receive the assets of any of their Subsidiaries upon such Subsidiary's liquidation or reorganization (and the consequent right of the Holders of such Debt Securities to participate in those assets) effectively will be subordinated to the claims of any such Subsidiary's creditors (including trade creditors), except to the extent that Harrah's Operating (or Harrah's Entertainment, as applicable) is itself recognized as a creditor of such Subsidiary, in which case the claims of Harrah's Operating (or Harrah's Entertainment, as applicable) would still be subordinate to any indebtedness of such Subsidiary senior to that held by Harrah's Operating (or Harrah's Entertainment, as applicable). As of June 30, 1995, the indebtedness (including trade payables) of Harrah's Operating's Subsidiaries (other than guarantees by Subsidiaries of Harrah's Operating of Harrah's Operating's Senior Debt) was approximately \$403.5 million.

LIMITATION ON MERGER, SALE OR CONSOLIDATION

The Indentures will provide that Harrah's Operating may not consolidate with or merge with or into another Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another person, unless (i) (a) Harrah's Operating is the continuing corporation in the case of a merger or (b) the resulting, surviving or transferee entity is a corporation or partnership organized under the laws of the United States, any state thereof or the District of Columbia and expressly assumes by supplemental indenture all of the obligations of Harrah's Operating under the Debt Securities and the Indentures; and (ii) no Event of Default (or event or condition that, after notice or lapse of time or both, would become an Event of Default) shall have occurred and be continuing immediately after giving effect to such transaction. The term "all or substantially all" of the Company's assets is likely to be interpreted by reference to applicable state law at the time, and will be dependent on the facts and circumstances existing at the time. Accordingly, the ability of a holder of Debt Securities to file a claim under an Indenture as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets or properties of Harrah's Operating or Harrah's Entertainment to another person may be uncertain.

Upon any consolidation or merger or any transfer of all or substantially all of the assets of Harrah's Operating in accordance with the foregoing, the successor corporation formed by such consolidation or into which Harrah's Operating is merged or to which such transfer is made, shall succeed to, and be substituted for, and may exercise every right and power of, Harrah's Operating under the Indentures with the same effect as if such successor corporation had been named as Harrah's Operating therein.

Unless otherwise indicated in a Prospectus Supplement, certain of the covenants described herein and in the Indentures would not necessarily afford debt holders protection in the event of a decline in the Company's credit quality resulting from highly leveraged or other similar transactions involving the Company.

EVENTS OF DEFAULT AND REMEDIES

Each Indenture defines an Event of Default as being with respect to each series of Debt Securities issued pursuant to such Indenture, (i) failure by Harrah's Operating to pay any installments of interest on such Debt Securities as and when the same become due and payable and the continuance of any such failure for 30 days, (ii) failure by Harrah's Operating to pay all or any part of the principal or premium, if any, on such Debt Securities when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise, (iii) failure by Harrah's Operating or Harrah's Entertainment to observe or perform any covenant or agreement contained in such Debt Securities or such Indenture and the continuance of such failure for a period of 60 days after written notice is given to Harrah's Operating or Harrah's Entertainment by the Trustee or to Harrah's Operating, Harrah's Entertainment and the Trustee by the Holders of at least 40% in aggregate principal amount of such Debt Securities outstanding, (iv) certain events of bankruptcy, insolvency or reorganization in respect of Harrah's Operating or any of its Significant Subsidiaries, (v) any acceleration of the maturity of certain Debt of Harrah's Operating or any of its Subsidiaries, or a failure to pay such Debt at its stated maturity; provided, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of Harrah's Operating or any of its Subsidiaries if the event that caused such acceleration shall be cured within 10 days, and (vi) certain final judgments not covered by insurance rendered against Harrah's Operating or any of its Subsidiaries and not stayed or discharged within 60 days. Each Indenture provides that, with respect to each series of Debt Securities issued pursuant to such Indenture, if a default (the term "default" for purposes of this provision being defined as any event or condition which is, or with notice or lapse of time or both would be, an Event of Default) occurs and is continuing and if it is known to the Trustee, the Trustee must, within 90 days after the occurrence of such default, give to the Holders of such Debt Securities notice of such default; provided, that, except in the case of default in payment of principal of, premium, if any, or interest on such Debt Securities the Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the Holders of such Debt Securities.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (iv) relating to Harrah's Operating or its Significant Subsidiaries), unless the principal of all of the Debt Securities of any series shall have already become due and payable, either the Trustee or the Holders of 25% in aggregate principal amount of such Debt Securities then outstanding, by notice in writing to Harrah's Operating and Harrah's Entertainment (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all principal, determined as set forth below, and accrued interest thereon to be due and payable immediately (in the case of the Senior Secured Debt Securities and the Senior Unsecured Debt Securities) and, in the case of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, (i) immediately if no Designated Senior Debt is outstanding or (ii) if Designated Senior Debt is outstanding, upon the earlier of (a) 10 days after such Acceleration Notice is received by Harrah's Operating or (b) the acceleration of such Designated Senior Debt. If an Event of Default specified in clause (iv) above relating to Harrah's Operating or its Significant Subsidiaries occurs, all principal and accrued interest thereon will be immediately due and payable on all outstanding Debt Securities of the applicable series without any declaration or other act on the part of Trustee or the Holders thereof. The Holders of not less than a majority in aggregate principal amount of such Debt Securities generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of and interest on such Debt Securities which have become due solely by such acceleration, have been cured or waived.

Prior to the declaration of acceleration of the maturity of the Debt Securities of any series, the Holders of a majority in aggregate principal amount of such Debt Securities at the time outstanding may waive on behalf of all the Holders of such Debt Securities any default, except a default in the payment of principal of or interest on any such Debt Securities not yet cured, or a default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Debt Security of such series affected. Subject to the provisions of the applicable

Indenture relating to the duties of the Trustee thereunder, such Trustee is under no obligation to exercise any of its rights or powers under such Indenture at the request, order or direction of any of such applicable Holders, unless such Holders have offered to such Trustee reasonable security or indemnity. Subject to all provisions of the applicable Indenture and applicable law, the Holders of a majority in aggregate principal amount of Debt Securities of a series at the time outstanding have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under such Indenture, or exercising any trust or power conferred on such Trustee.

SATISFACTION AND DISCHARGE OF THE INDENTURE, COVENANT DEFEASANCE

Each Indenture ceases to be of further effect as to all outstanding Debt Securities of a series issued thereunder (except as to (i) rights of registration of transfer, substitution and exchange of Debt Securities and Harrah's Operating's right of optional redemption, (ii) rights of Holders of such Debt Securities to receive from the amounts deposited with the Trustee payments of principal of, premium, if any, and interest on such Debt Securities, and any other rights of such Holders with respect to such amounts, (iii) the rights, obligations and immunities of the Trustee under the applicable Indenture and (iv) certain other specified provisions in the applicable Indenture (the foregoing exceptions (i) through (iv) are collectively referred to as the "Reserved Rights")) and Harrah's Operating will be deemed to have paid and discharged the entire indebtedness on all of the outstanding Debt Securities of such series when (i) all outstanding such Debt Securities have been delivered to the applicable Trustee for cancellation, or (ii) Harrah's Operating has paid or caused to be paid the principal of and interest on such Debt Securities.

With respect to the Debt Securities not previously delivered to the applicable Trustee for cancellation that have become due and payable or are by their terms to become due and payable within one year or are to be called for redemption within one year upon delivery of notice, the applicable Indenture also ceases to be in effect (except as to the Reserved Rights and except as to other obligations of Harrah's Operating under such Indenture preserved under this paragraph) on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws, e.g., one year after any such deposit) after the irrevocable deposit by Harrah's Operating with such Trustee, in trust for the benefit of the Holders of such Debt Securities, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Debt Securities, money in an amount, or (iii) a combination thereof, sufficient to pay and discharge the principal of and each installment of principal and interest on such Debt Securities then outstanding at the maturity date or redemption date, as the case may be, of such principal or installment of principal or interest. Such a trust may only be established if certain conditions are satisfied, including delivery by Harrah's Operating to such Trustee of an opinion of outside counsel acceptable to such Trustee (who may be outside counsel to Harrah's Operating) to the effect that (i) the defeasance and discharge will not be deemed, or result in, a federal income taxable event, with respect to such Holders, (ii) Harrah's Operating's deposit will not result in Harrah's Operating being subject to regulation under the Investment Company Act of 1940, (iii) after the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws insofar as those laws apply to Harrah's Operating) following the deposit of the trust funds, such funds will not be subject to any bankruptcy, insolvency or other similar laws affecting creditors' rights generally and (iv) such Holders will have a valid, perfected and unavoidable (under applicable bankruptcy and insolvency laws), subject to the passage of time referred to in clause (iii), first-priority security interest in the trust funds. The applicable Indenture will not be discharged if, among other things, a default or an event of default shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

Each Indenture also provides that Harrah's Operating may cease to comply with certain covenants (other than the Reserved Rights and other than covenants relating to the timely payment of principal, interest, any premium, or any installment of principal or interest) described above with respect to each series of Debt Securities issued hereunder if Harrah's Operating irrevocably deposits with the Trustee thereunder money and/or U.S. Government Obligations, which, through the payment of interest and principal thereof in accordance with their terms, will provide, not later than one day before the date payments in respect of such Debt Securities are due, money in an amount sufficient to pay any principal of, premium, if any, and interest on the outstanding Debt Securities of such series at the maturity date of such principal or installment of principal or interest. The obligations of Harrah's Operating under such Indenture, excluding the covenants with which Harrah's Operating may cease to comply, but including Harrah's Operating's obligations to pay principal and interest on such Debt Securities, will remain in full force and effect. Such a trust may only be established if certain conditions are satisfied, including the delivery by Harrah's Operating to such Trustee of an opinion of counsel acceptable to such Trustee (who may be counsel to Harrah's Operating) to the effect that (i) the deposit and related covenant defeasance will not be deemed, or result in, a Federal income taxable event with respect to Holders of such Debt Securities, (ii) Harrah's Operating deposit will not result in Harrah's Operating being subject to regulation under the Investment Company Act of 1940, (iii) after the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) following the deposit of the trust funds, such funds will not be subject to any bankruptcy, insolvency or other similar laws affecting creditors' rights generally, and (iv) Holders of such Debt Securities will have a valid, perfected and unavoidable (under applicable bankruptcy and insolvency laws insofar as such laws apply to Harrah's Operating), subject to the passage of time referred to in clause (iii), first-priority security interest in the trust funds. Harrah's Operating will not be discharged from its obligations with respect to the covenants under such Indenture if, among other things, a default or an event of default shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day (or one day after such other greater period of time in which such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date. In the event that Harrah's Operating takes the necessary action to enable it to omit to comply with certain covenants of such Indenture as described above and such Debt Securities are declared due and payable because of the occurrence of an Event of Default, the amount of money and U.S. Government Obligations on deposit with such Trustee will be sufficient to pay such Debt Securities at the time of their stated maturity but may not be sufficient to pay amounts due on such Debt Securities at the time of acceleration resulting from such Event of Default. In such event, Harrah's Operating will remain liable for such payments.

REPORTS

Harrah's Operating and Harrah's Entertainment are required to furnish the Trustee under each Indenture, within 120 days after the end of each fiscal year, with an officers' certificate to the effect that such officers have conducted or supervised a review of the activities of Harrah's Operating and its Subsidiaries and of performance under such Indenture and that, to the best of such officers' knowledge, based on their review, Harrah's Operating has fulfilled all of its obligations under such Indenture or, if there has been a default, specifying each default known to them, its nature and its status.

Harrah's Operating will distribute to registered Holders of Debt Securities audited annual consolidated financial statements and unaudited summary quarterly financial statements of the Company (with appropriate footnotes relating to Harrah's Operating), unless otherwise required by law.

AMENDMENTS AND SUPPLEMENTS

Each Indenture contains provisions permitting Harrah's Operating and the Trustee to enter into a supplemental indenture for certain limited purposes without the consent of the Holders of the Debt

Securities issued thereunder. With the consent of the Holders of not less than a majority in aggregate principal amount of the applicable series of Debt Securities at the time outstanding, Harrah's Operating and the Trustee will be permitted to amend or supplement such Indenture or any supplemental indenture or modify the rights of such Holders; provided, that no such modification may, without the consent of each Holder affected thereby: (i) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any such Debt Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any such Debt Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date) or (ii) reduce the percentage in principal amount of the Outstanding Debt Securities of such series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in such Indenture, or (iii) modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of such Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Debt Security affected thereby.

NO PERSONAL LIABILITY OF STOCKHOLDERS, OFFICERS, DIRECTORS

No stockholder, officer or director, as such, past, present or future of Harrah's Operating or Harrah's Entertainment or any successor corporation shall have any personal liability in respect of the obligations of Harrah's Operating or Harrah's Entertainment under the Indentures, the Debt Securities or the Guarantees thereof by reason of his or its status as such stockholder, officer or director.

DESCRIPTION OF PREFERRED STOCK

The description of Harrah's Operating's Preferred Stock set forth below does not purport to be complete and is qualified in its entirety by reference to Harrah's Operating's Certificate of Incorporation (the "Harrah's Operating Certificate") and Bylaws (the "Harrah's Operating Bylaws").

GENERAL

The Harrah's Operating Certificate authorizes the issuance of _____ shares of Preferred Stock with a par value of \$0.10 per share, none of which was outstanding as of the date of this Prospectus. Shares of Preferred Stock may be issued from time to time, in one or more series, as authorized by the Board of Directors of Harrah's Operating. Prior to issuance of shares of each series, the Board of Directors is required by the Harrah's Operating Certificate to fix for each series the terms, preferences, rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemptions. The Preferred Stock will, when issued, be fully paid and nonassessable and will have no preemptive rights.

TERMS

The following description of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which any Prospectus Supplement may relate. The statements below describing the Preferred Stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of the Harrah's Operating Certificate and Harrah's Operating Bylaws and any applicable amendment to the Harrah's Operating Certificate designating terms of a series of Preferred Stock (a "Designating Amendment").

Reference is made to the Prospectus Supplement relating to the Preferred Stock offered thereby for specific terms, including:

- (1) The title and stated value of such Preferred Stock;
- (2) The number of shares of such Preferred Stock offered, the liquidation preference per share and the offering price of such Preferred Stock;
- (3) The dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation thereof applicable to such Preferred Stock;
- (4) The date from which dividends on such Preferred Stock shall accumulate, if applicable;
- (5) The procedures for any auction and remarketing, if any, for such Preferred Stock;
- (6) The provision for a sinking fund, if any, for such Preferred Stock;
- (7) The provision for redemption, if applicable, of such Preferred Stock;
- (8) Any listing of such Preferred Stock on any securities exchange;
- (9) The terms of Harrah's Entertainment's guarantee with respect to such Preferred Stock;
- (10) The voting rights, if any, of such Preferred Stock;
- (11) Any other specific terms, preferences, rights, limitations or restrictions of such Preferred Stock;
- (12) A discussion of federal income tax considerations applicable to such Preferred Stock;
- (13) The relative ranking and preference of such Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company; and
- (14) Any limitations on issuance of any series of Preferred Stock ranking senior to or on a parity with such series of Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company.

RANK

Unless otherwise specified in the Prospectus Supplement, the Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of Harrah's Operating, rank (i) senior to all classes or series of Common Stock of Harrah's Operating, and to all equity securities ranking junior to such Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating; (ii) on a parity with all equity securities issued by the terms of which specifically provide that such equity securities rank on a parity with the Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating; and (iii) junior to all equity securities issued by Harrah's Operating the terms of which specifically provide that such equity securities rank senior to the Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating. The term "equity securities" does not include convertible debt securities.

DIVIDENDS

Holders of the Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors of Harrah's Operating, out of assets of Harrah's Operating legally available for payment, cash dividends at such rates and on such dates as will be set forth in the applicable Prospectus Supplement. Each such dividend shall be payable to holders of record as they appear on the share transfer books of Harrah's Operating on such record dates as shall be fixed by the Board of Directors of Harrah's Operating.

Dividends on any series of the Preferred Stock may be cumulative or noncumulative, as provided in the applicable Prospectus Supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable Prospectus Supplement. If the Board of Directors of Harrah's Operating fails to declare a dividend payable on a dividend payment date on any series of the Preferred Stock for which dividends are noncumulative, then the holders of such series of the Preferred Stock will have no right to receive a dividend in respect of the dividend period ending on such dividend payment date, and Harrah's Operating will have no obligation to pay the dividend accrued for such period, whether or not dividends on such series are declared payable on any future dividend payment date.

If Preferred Stock of any series is outstanding, no dividends will be declared or paid or set apart for payment on any capital stock of Harrah's Operating of any other series ranking, as to dividends, on a parity with or junior to the Preferred Stock of such series for any period unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Preferred Stock of such series for all past dividend periods and the then current dividend period, or (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends for the then current dividend period have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Preferred Stock of such series. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon Preferred Stock of any series and the shares of any other series of Preferred Stock ranking on a parity as to dividends with the Preferred Stock of such series, all dividends declared upon Preferred Stock of such series and on any other series of Preferred Stock ranking on a parity as to dividends with such Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Preferred Stock of such series and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Preferred Stock of such series (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such Preferred Stock does not have a cumulative dividend) and such other series of Preferred Stock bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on Preferred Stock of such series which may be in arrears.

Except as provided in the immediately preceding paragraph, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for the then current dividend period, no dividends (other than in shares of Common Stock or other shares of capital stock ranking junior to the Preferred Stock of such series as to dividends and upon liquidation) shall be declared or paid or set aside for payment nor shall any other distribution be declared or made upon the Common Stock, or any other capital stock of Harrah's Operating ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation, nor shall any shares of Common Stock, or any other shares of capital stock of Harrah's Operating ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation, be redeemed, purchased or otherwise acquired for any consideration (or any amounts be paid to or made available for a sinking fund for the redemption of any such shares) by Harrah's Operating (except by conversion into or exchange for other capital stock of Harrah's Operating ranking junior to the Preferred Stock of such series as to dividends and upon liquidation).

Any dividend payment made on shares of a series of Preferred Stock shall first be credited against the earliest accrued but unpaid dividend due with respect to shares of such series which remains payable.

REDEMPTION

If so provided in the applicable Prospectus Supplement, the Preferred Stock will be subject to mandatory redemption or redemption at the option of Harrah's Operating, as a whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in such Prospectus Supplement.

The Prospectus Supplement relating to a series of Preferred Stock that is subject to mandatory redemption will specify the number of shares of such Preferred Stock that shall be redeemed by Harrah's Operating in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accrued and unpaid dividends thereon (which shall not, if such Preferred Stock does not have a cumulative dividend, include any accumulation in respect of unpaid dividends for prior dividend periods) to the date of redemption. The redemption price may be payable in cash or other property, as specified in the applicable Prospectus Supplement.

Notwithstanding the foregoing, unless (i) if a series of Preferred Stock has a cumulative dividend, full cumulative dividends on all shares of such series of Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if a series of Preferred Stock does not have a cumulative dividend, full dividends on all shares of the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no shares of such series of Preferred Stock shall be redeemed unless all outstanding shares of Preferred Stock of such series are simultaneously redeemed. In addition, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on all outstanding shares of such series of Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, Harrah's Operating shall not purchase or otherwise acquire directly or indirectly any shares of Preferred Stock of such series (except by conversion into or exchange for capital stock of Harrah's Operating ranking junior to the Preferred Stock of such series as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of Preferred Stock of such series pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Preferred Stock of such series.

If fewer than all of the outstanding shares of Preferred Stock of any series are to be redeemed, the number of shares to be redeemed will be determined by Harrah's Operating and such shares may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held or for which redemption is requested by such holder (with adjustments to avoid redemption of fractional shares) or by any other equitable manner determined by Harrah's Operating.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of Preferred Stock of any series to be redeemed at the address shown on the stock transfer books of Harrah's Operating. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for such Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on

such redemption date; and (vi) the date upon which the holder's conversion rights, if any, as to such shares shall terminate. If fewer than all the shares of Preferred Stock of any series are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of shares of Preferred Stock to be redeemed from each such holder and, upon redemption, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof. If notice of redemption of any Preferred Stock has been given and if the funds necessary for such redemption have been set aside by Harrah's Operating in trust for the benefit of the holders of any Preferred Stock so called for redemption, then from and after the redemption date dividends will cease to accrue on such Preferred Stock, and all rights of the holders of such shares will terminate, except the right to receive the redemption price. In order to facilitate the redemption of shares of Preferred Stock, the Board of Directors may fix a record date for the determination of shares of Preferred Stock to be redeemed, such record date to be not less than 30 or more than 60 days prior to the date fixed for such redemption.

Subject to applicable law and the limitation on purchases when dividends on Preferred Stock are in arrears, Harrah's Operating may, at any time and from time to time, purchase any shares of Preferred Stock in the open market, by tender or by private agreement.

LIQUIDATION PREFERENCE

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Harrah's Operating, then, before any distribution or payment shall be made to the holders of any other class or series of capital stock of Harrah's Operating ranking junior to the Preferred Stock in the distribution of assets upon any liquidation, dissolution or winding up of Harrah's Operating, the holders of each series of Preferred Stock shall be entitled to receive out of assets of Harrah's Operating legally available for distribution to stockholders liquidating distributions in the amount of the liquidation preference per share, if any, set forth in the applicable Prospectus Supplement, plus an amount equal to all dividends accrued and unpaid thereon (which shall not include any accumulation in respect of unpaid noncumulative dividends for prior dividend periods). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Preferred Stock will have no right or claim to any of the remaining assets of Harrah's Operating. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of Harrah's Operating are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Preferred Stock and the corresponding amounts payable on all shares of other classes or series of capital stock of Harrah's Operating ranking on a parity with the Preferred Stock in the distribution of assets upon the liquidation, dissolution or winding up, then the holders of the Preferred Stock and all other such classes or series of capital stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions shall have been made in full to all holders of Preferred Stock, the remaining assets of Harrah's Operating shall be distributed among the holders of any other classes or series of capital stock ranking junior to the Preferred Stock upon liquidation, dissolution or winding up, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, the consolidation or merger of Harrah's Operating with or into any other corporation, trust or entity, or the sale, lease or conveyance of all or substantially all of the property or business of the Company, shall not be deemed to constitute a liquidation, dissolution or winding up of the Company.

GUARANTEE

Harrah's Entertainment will irrevocably and unconditionally agree, to the extent set forth herein, to pay in full to the holders of the Preferred Stock of any series, the Guarantee Payments (as defined below) (except to the extent paid by Harrah's Operating), as and when due, regardless of any defense, right of set-off or counterclaim which Harrah's Operating may have or assert (the "Guarantee"). The

following payments to the extent not paid by Harrah's Operating (the "Guarantee Payments") will be subject to the Guarantee (without duplication): (i) any accumulated and unpaid dividends which have been theretofore declared on the Preferred Stock of such series out of funds legally available therefor, (ii) the redemption price (including all accumulated unpaid dividends) payable out of funds legally available therefor with respect to Preferred Stock of any series called for redemption by Harrah's Operating and (iii) upon the liquidation of Harrah's Operating, the lesser of (a) the aggregate of the stated liquidation preference and all accumulated and unpaid dividends (whether or not declared) to the date of payment and (b) the amount of assets of Harrah's Operating legally available for distribution to holders of Preferred Stock of such series in liquidation. Harrah's Entertainment's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by Harrah's Entertainment to the holders of Preferred Stock of any series or by causing Harrah's Operating to pay such amounts to such holders.

In connection with the Guarantee, Harrah's Entertainment will covenant that, so long as any shares of Preferred Stock of any series remain outstanding, neither Harrah's Entertainment nor any majority owned subsidiary of Harrah's Entertainment will declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of Harrah's Entertainment's capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee, redemptions described under "Description of Common Stock--Redemption," payments to redeem common share purchase rights under Harrah's Entertainment's shareholder rights plan dated February 7, 1990, or the declaration of a dividend of similar share purchase rights in the future), if at such time, Harrah's Entertainment will be in default with respect to its payment or other obligations under the Guarantee.

The Guarantee will constitute an unsecured obligation of Harrah's Entertainment and will rank (i) subordinate and junior in right of payment to all other liabilities of Harrah's Entertainment, (ii) pari passu with the most senior preferred stock now or hereafter issued by Harrah's Entertainment and with any guarantee now or hereafter entered into by Harrah's Entertainment in respect of any preferred or preference stock of any affiliate of Harrah's Entertainment and (iii) senior to Harrah's Entertainment's common stock. For purposes of clause (ii), pari passu means that any payments to which beneficiaries of the Guarantee are entitled must be shared with holders of any preferred or preference stock to which the Guarantee is stated to be pari passu ("Pari Passu Stock") to the same extent as would be required under applicable law if instead the Guarantee constituted a class of preferred or preference stock of Harrah's Entertainment ranking pari passu with such Pari Passu Stock as to such payments.

The Guarantee will constitute a guarantee of payment and not of collection. Accordingly, a holder of Preferred Stock may enforce the Guarantee directly against Harrah's Entertainment, and Harrah's Entertainment will waive any right or remedy to require that any action be brought against Harrah's Operating or any other person or entity before proceeding against Harrah's Entertainment. The Guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by Harrah's Operating.

Since Harrah's Entertainment is a holding company, the rights of Harrah's Entertainment, and hence the rights of creditors of Harrah's Entertainment (including the rights of holders of Preferred Stock under the Guarantee), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of Harrah's Entertainment itself as a creditor of the subsidiary may be recognized.

VOTING RIGHTS

Holders of the Preferred Stock will not have any voting rights, except as set forth below or as otherwise from time to time required by law or as indicated in the applicable Prospectus Supplement.

Unless provided otherwise for any series of Preferred Stock, so long as any shares of Preferred Stock of a series remain outstanding, Harrah's Operating will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of such series of Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class), (i) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking prior to such series of Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up or reclassify any authorized capital stock of Harrah's Operating into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (ii) amend, alter or repeal the provisions of the Harrah's Operating Certificate or the Designating Amendment for such series of Preferred Stock, whether by merger, consolidation or otherwise (an "Event"), so as to materially and adversely affect any right, preference, privilege or voting power of such series of Preferred Stock or the holders thereof; provided, however, with respect to the occurrence of any of the Events set forth in (ii) above, so long as the Preferred Stock remains outstanding with the terms thereof materially unchanged, taking into account that upon the occurrence of an Event Harrah's Operating may not be the surviving entity, the occurrence of any such Event shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting power of holders of Preferred Stock, and provided further that (x) any increase in the amount of the authorized Preferred Stock or the creation or issuance of any other series of Preferred Stock, or (y) any increase in the amount of authorized shares of such series or any other series of Preferred Stock, in each case ranking on a parity with or junior to the Preferred Stock of such series with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of such series of Preferred Stock shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

GAMING REDEMPTION

The Harrah's Operating Certificate provides that any equity security of Harrah's Operating can be redeemed by Harrah's Operating if, among other circumstances, in the judgment of the Board of Directors, such redemption is necessary to avoid any regulatory sanctions against, or to prevent the loss of, or to secure the reinstatement of any license, franchise or entitlement from any governmental agency held by Harrah's Operating, an affiliate of Harrah's Operating, or any entity in which Harrah's Operating or an affiliate is an owner, which license, franchise or entitlement is needed to conduct any portion of the business of Harrah's Operating, any such affiliate or other entity or which license, franchise or entitlement is conditioned upon some or all of the holders of such security possessing prescribed qualifications.

PLAN OF DISTRIBUTION

The Company may offer the Securities directly to purchasers or to or through underwriters, dealers or agents. Any such underwriter(s), dealer(s) or agent(s) involved in the offer and sale of the Securities in respect of which this Prospectus is delivered will be named in the Prospectus Supplement. The Prospectus Supplement with respect to such Securities will also set forth the terms of the offering of such Securities, including the purchase price of such Securities and the proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such Securities may be listed.

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Prospectus Supplement will describe the method of distribution of the Securities.

If underwriters are used in an offering of Securities, the name of each managing underwriter, if any, and any other underwriters and terms of the transaction, including any underwriting discounts and other items constituting compensation of the underwriters and dealers, if any, will be set forth in the Prospectus Supplement relating to such offering and the Securities will be acquired by the underwriters for their own accounts and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. It is anticipated that any underwriting agreement pertaining to any Securities will (1) entitle the underwriters to indemnification by the Company against certain civil liabilities under the Securities Act, or to contribution with respect to payments which the underwriters may be required to make in respect thereof, (2) provide that the obligations of the underwriters will be subject to certain conditions precedent and (3) provide that the underwriters will be obligated to purchase all Securities offered in a particular offering if any such Securities are purchased.

If a dealer is used in an offering of Securities, the Company will sell such Securities to the dealer, as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

If an agent is used in an offering of Debt Securities, the agent will be named, and the terms of the agency will be set forth, in the Prospectus Supplement relating thereto. Unless otherwise indicated in such Prospectus Supplement, an agent will act on a best efforts basis for the period of its appointment.

Dealers and agents named in a Prospectus Supplement may be deemed to be underwriters (within the meaning of the Securities Act) of the Securities described therein and, under agreements which may be entered into with the Company, may be entitled to indemnification by the Company against certain civil liabilities under the Securities Act. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Offers to purchase Securities may be solicited, and sales thereof may be made, by the Company directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resales thereof. The terms of any such offer will be set forth in the Prospectus Supplement relating thereto.

If so indicated in the Prospectus Supplement, the Company will authorize underwriters or other agents of the Company to solicit offers by certain institutional investors to purchase Securities from the Company pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such purchasers must be approved by the Company. The obligations of any purchaser under any such contract will not be subject to any conditions except that (1) the purchase of the Securities shall not at the time of delivery be prohibited under the laws of any jurisdiction to which such purchaser is subject and (2) if the Securities are also being sold to underwriters, the Company shall have sold to such underwriters the Securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of such contracts.

The anticipated date of delivery of Securities will be set forth in the Prospectus Supplement relating to each offering.

LEGAL MATTERS

Certain legal matters with respect to the Securities offered hereby will be passed upon for Harrah's Entertainment and Harrah's Operating by Latham & Watkins and E. O. Robinson, Jr., Senior Vice President and General Counsel of Harrah's Entertainment and Harrah's Operating.

EXPERTS

The audited financial statements and schedules incorporated by reference in this Prospectus and in the Registration Statement, to the extent and for the periods indicated in their report, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

All expenses other than the Securities and Exchange Commission filing fees are estimated.

SEC registration fee.....	\$68,966
Accountants' fees and expenses.....	*
Legal fees and expenses (other than Blue Sky).....	*
Blue Sky fees and expenses.....	*
Printing and engraving expenses.....	*
Trustee's and registrar's fees and expenses.....	*
Miscellaneous.....	*

Total.....	\$ *

* To be filed by amendment.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of Delaware empowers Harrah's Entertainment and Harrah's Operating to indemnify, subject to the standards set forth therein, any person who is a party in any action in connection with any action, suit or proceeding brought or threatened by reason of the fact that the person was a director, officer, employee or agent of such company, or is or was serving as such with respect to another entity at the request of such company. The General Corporation Law of Delaware also provides that Harrah's Entertainment and Harrah's Operating may purchase insurance on behalf of any such director, officer, employee or agent.

Article Tenth of the Certificate of Incorporation of Harrah's Entertainment provides for indemnification of the officers and directors of Harrah's Entertainment to the full extent permitted by the Delaware General Corporation Law.

Article VI of the Bylaws of Harrah's Operating provides, in effect, for the indemnification by Harrah's Operating of each director and officer of Harrah's Operating to the fullest extent permitted by applicable law.

Harrah's Entertainment has entered into Indemnification Agreements with its directors, executive officers and certain other officers. Generally, the Indemnification Agreements provide that Harrah's Entertainment will indemnify such persons against any and all expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect to such expenses, judgments, fines, penalties or amounts paid in settlement) of any Claim by reason of (or arising in part out of) an Indemnifiable Event. "Claim" is defined as any threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether conducted by Harrah's Entertainment or any other party, that the indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other. "Indemnifiable Event" is defined as any event or occurrence related to the fact that indemnitee is or was a director, officer, employee, trustee, agent or fiduciary of Harrah's Entertainment, or is or was serving at the request of Harrah's Entertainment or a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, or by reason of anything done or not done by indemnitee in any such capacity. Notwithstanding the foregoing, (i) the obligations of Harrah's Entertainment shall be subject to the condition that the reviewing party (as defined) shall not have determined (in a

written opinion, in any case in which special, independent counsel is involved) that indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of Harrah's Entertainment to make an expense advance shall be subject to the condition that, if, when and to the extent that the reviewing party determines that indemnitee would not be permitted to be so indemnified under applicable law, Harrah's Entertainment shall be entitled to be reimbursed by indemnitee (who has agreed to reimburse Harrah's Entertainment, for any amounts theretofore paid; provided, that if indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that indemnitee should be indemnified under applicable law, any determination made by the reviewing party that indemnitee would not be permitted to be indemnified under applicable law shall not be binding and indemnitee shall not be required to reimburse Harrah's Entertainment for any expense advance until a final judicial determination is made with respect thereto as to which all rights of appeal therefrom have been exhausted or lapsed).

Section 102(b)(7) of the Delaware General Corporation Law enables a Delaware corporation to provide in its certificate of incorporation for the elimination or limitation of the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any such provision cannot eliminate or limit a director's liability (1) for any breach of the director's duty of loyalty to the corporation or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) under Section 174 of the Delaware General Corporation Law (which imposes liability on directors for unlawful payment of dividends or unlawful stock purchase or redemption); or (4) for any transaction from which the director derived an improper personal benefit. Article Thirteenth of the Certificate of Incorporation of Harrah's Entertainment eliminates the liability of a director of Harrah's Entertainment to Harrah's Entertainment or its stockholders for monetary damages for breach of fiduciary duty as a director to the full extent permitted by the Delaware General Corporation Law.

ITEM 16. EXHIBITS

EXHIBIT
NO.

- 4.1 Certificate of Incorporation of The Promus Companies Incorporated. (1)
- 4.2 Certificate of Amendment to Certificate of Incorporation of The Promus Companies Incorporated dated April 29, 1994. (1)
- 4.3 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective June 30, 1995. (2)
- 4.4 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective May 26, 1995. (3)
- *4.5 Certificate of Incorporation of Harrah's Operating Company, Inc.
- *4.6 Bylaws of Harrah's Operating Company, Inc.
- 4.7 Rights Agreement dated as of February 7, 1990, between The Promus Companies Incorporated and The Bank of New York as Rights Agent. (4)
- 4.8 Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and Irving Trust Company, as trustee. (5)
- 4.9 First Supplemental Indenture dated as of July 15, 1987, among Irving Trust Company, as resigning trustee with respect to the 1999 Notes, Indiana National Bank as successor trustee with respect to the 1999 Notes and Holiday Inns, Inc.; Second Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc., and Irving Trust Company, as trustee with respect to 8 3/8% Notes due 1996; Third Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, among Holiday Inns, Inc., Irving Trust Company, as resigning trustee with respect to the 8 3/8% Notes due 1996, and LaSalle National Bank as successor trustee with respect to the 8 3/8% Notes due 1996; Fourth Supplemental Indenture dated as of February 23, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and LaSalle National Bank, as trustee with respect to the 8 3/8% Notes due 1996. (6)

- 4.10 Fifth Supplemental Indenture dated as of January 23, 1990, with respect to the 8 3/8% Notes due 1996, among LaSalle National Bank, as trustee, The Promus Companies Incorporated and Holiday Inns, Inc., as issuer; Sixth Supplemental Indenture dated as of February 7, 1990, with respect to the 8 3/8% Notes due 1996, among Holiday Inns, Inc., Embassy Suites, Inc., The Promus Companies Incorporated and LaSalle National Bank; Form of Note for 8 3/8% Notes due 1996. (4)
- 4.11 Indenture dated as of April 1, 1992, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 10 7/8% Senior Subordinated Notes due 2002. (7)
- 4.12 Indenture dated as of August 1, 1993, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 8 3/4% Senior Subordinated Notes due 2000. (8)
- 4.13 First Supplemental Indenture dated as of June 2, 1995, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.14 First Supplemental Indenture dated as of June 2, 1995, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.15 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated May 14, 1993. (8)
- 4.16 Interest Swap Agreement between NationsBank of North Carolina, N.A. and Embassy Suites, Inc. dated May 18, 1993. (8)
- 4.17 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Nippon Credit Bank and Embassy Suites, Inc. dated October 22, 1992. (7)
- 4.18 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.19 Interest Swap Agreement between NationsBank, N.A. (Carolinas) and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.20 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated January 25, 1995 and amended February 2, 1995. (10)
- 4.21 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated March 16, 1995. (10)
- 4.22 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated June 5, 1995. (11)
- 4.23 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated May 16, 1995. (11)
- 4.24 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated June 6, 1995. (11)
- 4.25 Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent. (11)

- 4.26 Amended and Restated Reimbursement Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., The Promus Companies Incorporated, Marina Associates and The Sumitomo Bank, Limited, New York Branch. (12)
- 4.27 Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (12)
- 4.28 Security Agreement dated as of July 22, 1993, among Embassy Suites, Inc., the Collateral Grantors parties thereto and Bankers Trust Company, as Collateral Agent. (12)
- 4.29 Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of July 22, 1993, from Embassy Suites, Inc., Harrah's Laughlin, Inc., and Harrah's Reno Holding Company, Inc., the Grantors, to First American Title Company of Nevada, as Trustee, for the benefit of Bankers Trust Company, as Beneficiary. (12)
- 4.30 Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of July 22, 1993, from Marina Associates and Embassy Suites, Inc., the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee. (12)
- 4.31 Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (12)
- 4.32 Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (12)
- 4.33 First Amendment to Master Collateral Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent amending the Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (11)
- 4.34 First Amendment to Parent Pledge Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (11)
- 4.35 First Amendment to Company/Sub Pledge Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., Harrah's, Harrah's Club, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (11)
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- 4.37 First Amendment to Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., Marina Associates, the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee, amending the Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of July 22, 1993, from Marina Associates and Embassy Suites, Inc., the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee. (11)
 - 4.38 First Amendment to Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of June 30, 1995, among Embassy Suites, Inc., Harrah's Laughlin, Inc., Harrah's Reno Holding Company, Inc., Harrah's, Harrah's Club and Harrah's Las Vegas, Inc., the Collateral Grantors, and Bankers Trust Company as Collateral Agent and Beneficiary, amending the Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of July 22, 1993, from Embassy Suites, Inc., Harrah's Laughlin, Inc., and Harrah's Reno Holding Company, Inc., the Grantors, to First American Title Company of Nevada, as Trustee, for the benefit of Bankers Trust Company, as Beneficiary. (11)
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 - 4.40 Form of Indenture relating to Senior Secured Debt Securities.
 - 4.41 Form of Indenture relating to Senior Unsecured Debt Securities.
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 - *5 Opinion of Latham & Watkins regarding legality.
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* To be filed by amendment.

(Footnotes continued on following page)

- (1) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ending March 31, 1994, filed with the Commission May 12, 1994, File No. 1-10410.
- (2) Incorporated by reference from the Company's Proxy Statement, Annex V, dated April 25, 1995, File No. 1-10410.
- (3) Incorporated by reference from the Company's Proxy Statement, Annex VI, dated April 25, 1995, File No. 1-10410.
- (4) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1989, filed March 28, 1990, File No. 1-10410.
- (5) Incorporated by reference from Holiday Inns, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 29, 1984, filed August 10, 1984, File No. 1-4804.
- (6) Incorporated by reference from Holiday Corporation's Annual Report on Form 10-K for the fiscal year ended January 1, 1988, filed March 31, 1988, File No. 1-8900.
- (7) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, filed March 12, 1993, File No. 1-10410.
- (8) Incorporated by reference from the Company's and Embassy Suites, Inc.'s Amendment No. 2 to Form S-4 Registration Statement, File No. 33-49509-01, filed July 16, 1993.
- (9) Incorporated by reference from the Company's Current Report on Form 8-K filed June 15, 1995, File No. 1-10410.
- (10) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, filed March 21, 1995, File No. 1-10410.
- (11) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, filed August 14, 1995, File No. 1-10410.
- (12) Incorporated by reference from the Company's Current Report on Form 8-K filed August 6, 1993, File No. 1-10410.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the

Commission by the registrants pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

HARRAH'S ENTERTAINMENT SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Harrah's Entertainment, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized at Memphis, Tennessee on September 20, 1995.

HARRAH'S ENTERTAINMENT, INC.

Dated: September 20, 1995

By PHILIP G. SATRE

 (Philip G. Satre, President
 and Chief Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Philip G. Satre, Charles A. Ledsinger, Jr., and E. O. Robinson, Jr. and each of them, any one of whom may act without joinder of the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all pre- and post-effective amendments to this Registration Statement or any registration statement for the same offering that is to be effective upon filing pursuant to 462(b) under the Securities Act, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or the substitute or substitutes of any or all of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in their respective capacities with Harrah's Entertainment, Inc. on the dates indicated.

SIGNATURE	TITLE	DATE
JAMES L. BARKSDALE (James L. Barksdale)	Director	September 20, 1995
SUSAN CLARK-JACKSON (Susan Clark-Jackson)	Director	September 20, 1995
JAMES B. FARLEY (James B. Farley)	Director	September 20, 1995
..... (Joe M. Henson)	Director	September 20, 1995
D. RALPH HORN (D. Ralph Horn)	Director	September 20, 1995
MICHAEL D. ROSE (Michael D. Rose)	Director and Chairman	September 20, 1995

SIGNATURE	TITLE	DATE
WALTER J. SALMON (Walter J. Salmon)	Director	September 20, 1995
PHILIP G. SATRE (Philip G. Satre)	Director, President and Chief Executive Officer	September 20, 1995
BOAKE A. SELLS (Boake A. Sells)	Director	September 20, 1995
EDDIE N. WILLIAMS (Eddie N. Williams)	Director	September 20, 1995
..... (Shirley Young)	Director	September 20, 1995
CHARLES A. LEDSINGER, JR. (Charles A. Ledsinger, Jr.)	Chief Financial Officer	September 20, 1995
MICHAEL N. REGAN (Michael N. Regan)	Controller and Principal Accounting Officer	September 20, 1995

HARRAH'S OPERATING SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Harrah's Operating Company, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized at Memphis, Tennessee on September 20], 1995.

HARRAH'S OPERATING COMPANY, INC.

Dated: September 20, 1995

By PHILIP G. SATRE

 (Philip G. Satre, President
 and Chief Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Philip G. Satre, Charles A. Ledsinger, Jr., and E. O. Robinson, Jr. and each of them, any one of whom may act without joinder of the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all pre- and post-effective amendments to this Registration Statement or any registration statement for the same offering that is to be effective upon filing pursuant to 462(b) under the Securities Act, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or the substitute or substitutes of any or all of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in their respective capacities with Harrah's Operating Company, Inc. on the dates indicated.

SIGNATURE	TITLE	DATE
PHILIP G. SATRE (Philip G. Satre)	Director, President and Chief Executive Officer	September 20, 1995
CHARLES A. LEDSINGER (Charles A. Ledsinger, Jr.)	Director and Chief Financial Officer	September 20, 1995
MICHAEL N. REGAN (Michael N. Regan)	Controller and Principal Accounting Officer	September 20, 1995

EXHIBIT INDEX

EXHIBIT
NO.

- 4.1 Certificate of Incorporation of The Promus Companies Incorporated. (1)
- 4.2 Certificate of Amendment to Certificate of Incorporation of The Promus Companies Incorporated dated April 29, 1994. (1)
- 4.3 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective June 30, 1995. (2)
- 4.4 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective May 26, 1995. (3)
- *4.5 Certificate of Incorporation of Harrah's Operating Company, Inc.
- *4.6 Bylaws of Harrah's Operating Company, Inc.
- 4.7 Rights Agreement dated as of February 7, 1990, between The Promus Companies Incorporated and The Bank of New York as Rights Agent. (4)
- 4.8 Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and Irving Trust Company, as trustee. (5)
- 4.9 First Supplemental Indenture dated as of July 15, 1987, among Irving Trust Company, as resigning trustee with respect to the 1999 Notes, Indiana National Bank as successor trustee with respect to the 1999 Notes and Holiday Inns, Inc.; Second Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc., and Irving Trust Company, as trustee with respect to 8 3/8% Notes due 1996; Third Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, among Holiday Inns, Inc., Irving Trust Company, as resigning trustee with respect to the 8 3/8% Notes due 1996, and LaSalle National Bank as successor trustee with respect to the 8 3/8% Notes due 1996; Fourth Supplemental Indenture dated as of February 23, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and LaSalle National Bank, as trustee with respect to the 8 3/8% Notes due 1996. (6)
- 4.10 Fifth Supplemental Indenture dated as of January 23, 1990, with respect to the 8 3/8% Notes due 1996, among LaSalle National Bank, as trustee, The Promus Companies Incorporated and Holiday Inns, Inc., as issuer; Sixth Supplemental Indenture dated as of February 7, 1990, with respect to the 8 3/8% Notes due 1996, among Holiday Inns, Inc., Embassy Suites, Inc., The Promus Companies Incorporated and LaSalle National Bank; Form of Note for 8 3/8% Notes due 1996. (4)
- 4.11 Indenture dated as of April 1, 1992, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 10 7/8% Senior Subordinated Notes due 2002. (7)
- 4.12 Indenture dated as of August 1, 1993, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 8 3/4% Senior Subordinated Notes due 2000. (8)

EXHIBIT INDEX

EXHIBIT
NO.

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- 4.13 First Supplemental Indenture dated as of June 2, 1995, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.14 First Supplemental Indenture dated as of June 2, 1995, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.15 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated May 14, 1993. (8)
- 4.16 Interest Swap Agreement between NationsBank of North Carolina, N.A. and Embassy Suites, Inc. dated May 18, 1993. (8)
- 4.17 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Nippon Credit Bank and Embassy Suites, Inc. dated October 22, 1992. (7)
- 4.18 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.19 Interest Swap Agreement between NationsBank, N.A. (Carolinas) and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.20 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated January 25, 1995 and amended February 2, 1995. (10)
- 4.21 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated March 16, 1995. (10)
- 4.22 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated June 5, 1995. (11)
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- (9) Incorporated by reference from the Company's Current Report on Form 8-K filed June 15, 1995, File No. 1-10410.
- (10) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, filed March 21, 1995, File No. 1-10410.
- (11) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, filed August 14, 1995, File No. 1-10410.
- (12) Incorporated by reference from the Company's Current Report on Form 8-K filed August 6, 1993, File No. 1-10410.

HARRAH'S OPERATING COMPANY, INC.,
Issuer

HARRAH'S ENTERTAINMENT, INC.,
Guarantor

and

NATIONSBANK OF
TENNESSEE, N.A.,
Trustee

Indenture

Dated as of _____, ____

\$ _____

_____% Senior Secured Notes Due ____

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HARRAH'S OPERATING COMPANY, INC.
 Certain Sections of this Indenture relating to
 Sections 310 through 318 of the
 Trust Indenture Act of 1939:

Trust Indenture Act Section	Indenture Section
-----	-----
310(a)(1)	608
(a)(2)	608
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
311(a)	609
(b)	612
312(a)	701
(a)	702
(b)	702(b)
(c)	702(c)
313(a)	703(a)
(a)(4)	703(a)
(b)	703(a)
(c)	703(a), (b) and (c)
(d)	703(c)
314(a)	704
(b)	Not Applicable
(c)(1)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	102
315(a)	601(a)
(b)	602
(c)	601(b)
(d)	601(c)
(e)	514
316(a)	101
(a)(1)(A)	502, 512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(e)
317(a)(1)	503
(a)(2)	504
(b)	103
318(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE, dated as of _____, 199__, among Harrah's Operating Company, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, Harrah's Entertainment, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, and NationsBank of Tennessee, having its principal corporate trust office at _____, as Trustee (herein called the "Trustee").

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Senior Secured Notes to be issued in one or more series (the "Securities"), as herein provided, up to such principal amount as may from time to time be authorized in or pursuant to one or more resolutions of the Board of Directors or by supplemental indenture.

The Guarantor has duly authorized its guarantee (the "Guarantee") of all of the Company's obligations under the Securities, and to provide therefor the Guarantor has duly authorized the execution and delivery of this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture and any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(4) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Five, are defined in that Article.

"Acceleration Notice" has the meaning specified in Section 502.

"Act," when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Associate" has the meaning ascribed thereto under Rule 12b-2 under the Exchange Act.

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Bank Obligations" means all obligations of the Company under the Credit Agreement and the Bank Security Documents.

"Bank Security Documents" means [insert titles of relevant bank documents].

"Bank Security Interests" means the Liens on the Other Collateral created by the Bank Security Documents for the benefit of the Banks.

"Bankruptcy Law" means Title 11, United States Code or any similar Federal or state law for the relief of debtors.

"Banks" means [insert names of the banks party to the Credit Agreement].

"Board of Directors" means the board of directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the Borough of Manhattan, the City of New York, are authorized or obligated by law or executive order to close.

"Capital Stock" means, with respect to any Person, any capital stock of such Person and shares, interests, participations or other ownership interests (however designated), of any Person and any rights (other than debt securities convertible into corporate stock), warrants or options to purchase any thereof, other than (except with respect to the definition of "Redeemable Stock"), in all such cases, Redeemable Stock.

"Capitalized Lease Obligation" means, with respect to any Person for any period, any obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP and the amount of such obligation shall be the capitalized amount thereof determined in accordance with such principles.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Collateral" means the Specified Collateral and the Other Collateral.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company or the Guarantor, as the case may be, by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in The City of New York, at which at any particular time its corporate trust business shall be administered, which, as of the date of this Indenture, is located at _____.

"Credit Agreement" means collectively the Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, and the Credit Agreement, dated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, The Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and The Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, together with all notes, collateral and security documents, guarantees and other documents delivered in connection therewith, as such agreements may hereafter be amended (including any amendments and restatements thereof), supplemented, replaced, or otherwise modified from time to time.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator, custodian or similar official under any Bankruptcy Law.

"Debt" of any Person means, at any date, all obligations, contingent or otherwise, (i) of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) of such Person evidenced by bonds, debentures, notes or other similar instruments, if and to the extent any of the foregoing described in clauses (i) and (ii) would appear as a liability on the balance sheet of such Person, (iii) of such Person in respect of bankers acceptances, letters of credit or other similar instruments (or reimbursement obligations with respect thereto), (iv) of such Person under Capitalized Lease Obligations, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all Debt of others guaranteed by such Person (but only to the extent of such guarantees), (vii) to the extent not otherwise included, obligations of such Person under currency agreements and Interest Rate Agreements, (viii) the liquidation preference and any mandatory redemption payment obligations (without duplication) of such Person's Subsidiaries in respect of preferred stock issued by any such Subsidiary and (ix) in the case of such Person, the liquidation preference and any mandatory redemption payment obligations (without duplication) in respect of Redeemable Stock. In addition, "Debt" of any Person shall include Debt described in the foregoing clauses (i) and (ii) that would not appear as a liability on the balance sheet of such Person if (1) such Debt is the obligation of a partnership or joint venture that

is not a Subsidiary of such Person (the "Joint Venture"), (2) such Person or a Subsidiary of such Person is a general partner of the Joint Venture (the "General Partner"), and (3) there is recourse, by contract or operation of law, with respect to payment of such obligations to property or assets of such Person or a Subsidiary of such Person; then such Debt shall be included in an amount not to exceed the greater of (A) the net assets of the General Partner, and (B) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Subsidiary of such Person (other than the General Partner). In the case of Debt of others secured by a Lien to which the assets owned or held by such Person is subject, the amount of the Debt of such Person at any date shall be the lesser of the fair market value at such date of determination of any asset subject to a Lien securing the Debt of others and the amount of the Debt secured.

"Defaulted Interest" has the meaning specified in Section 307.

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles as in effect in the United States on the date of this Indenture.

"Gaming Authority" means the Nevada Gaming Commission, the Nevada Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement or any similar commission or agency which has, or may at any time after the date of this Indenture have, jurisdiction over the gaming activities of the Company or the Guarantor or a Subsidiary of the Company or the Guarantor or any successor thereto.

"Gaming Laws" means the gaming laws of a jurisdiction or jurisdictions to which the Company, the Guarantor or a Subsidiary of any of them is, or may at any time after the date of this Indenture be, subject.

"Group" means a group as that term is used in Sections 13(d) and 14(d) of the Exchange Act.

"Guarantee" shall have the meaning set forth in Section 1201 hereof.

"Guarantor" means the person named as the "Guarantor" in the first paragraph of this instrument until a successor Person replaces it pursuant to the terms hereof and thereafter means such successor and any other Person which, pursuant to the terms hereof, shall guarantee any of the obligations of the Securities.

"Holder" means a Person in whose name a Security is registered in the Security Register and, when used with respect to any Security or Securities, means the Person or Persons in whose name such Security is, or Securities are, registered in the Security Register.

"Incur" means, directly or indirectly, to create, incur, assume, guarantee or otherwise become liable for; "Incurrence" has a correlative meaning.

"Indenture" means this instrument as originally executed or, if amended or supplemented as provided herein, as so supplemented or amended.

"Indenture Obligations" means all obligations of the Company under this Indenture and the Security Documents.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities.

"Interest Rate Agreement" means any obligation of any Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount; provided, that the term "Interest Rate Agreement" shall also include any obligations of such Person under interest rate exchange, collar, cap, swap option or similar agreements providing interest rate protection.

"Lien" means any mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property, or a security interest of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or similar statutes) of any jurisdiction).

"Maturity Date," when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption on a Redemption Date or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of legal counsel, who may be an employee of or counsel for the Company or the Guarantor, as the case may be, and who shall be reasonably acceptable to the Trustee.

"Other Collateral" means all of the assets of the Company and its Subsidiaries other than Specified Collateral.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; provided, further, that if for any reason such Securities are not redeemed on the Redemption Date, such Securities will be deemed Outstanding; and

(iii) Securities which have been replaced or paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the

Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

"Paying Agent" means any Person authorized by the Company pursuant to this Indenture to pay the principal of, premium (if any) or interest on, any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, joint venture, trust, association, joint-stock company, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redeemable Stock" means any series or class of Capital Stock of the Company which is or may be required to be redeemed, in whole or in part, or may be put to the Company or any of its Subsidiaries, in whole or in part, at the option of the Holder thereof, on or prior to the maturity of the Securities, or is or may be, mandatorily or at the option of the holder thereof, convertible or exchangeable into or exercisable for such Capital Stock of the Company on or prior to the maturity of the Securities; provided, however, that such Capital Stock will not be Redeemable Stock if it is redeemable prior to the maturity of the Securities only if: (A) the holder or a beneficial owner of such equity security is required to qualify under the gaming laws of any jurisdiction to which such Person or any Subsidiary is subject and does not so qualify, or (B) the board of directors of such Person determines in its good faith judgment that as a result of a holder or beneficial owner owning such equity securities, such Person or a Subsidiary of such Person has lost or may lose any license or franchise or any right or approval granted thereunder from any governmental agency held by such Person or any Subsidiary of such Person necessary to conduct any portion of the business of such Person or any Subsidiary of such Person, which if lost or not reinstated, as the case may be, would have a material adverse effect on the business of such Person or its Subsidiary or would restrict the ability of such Person or its Subsidiary to conduct business in any gaming jurisdiction.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this

Indenture, including as applicable without duplication, any accrued and unpaid interest due upon such redemption pursuant to the terms of this Indenture.

"Regular Record Date" for the interest payable on any interest payment date on the Securities of any series shall mean the date, if any, specified for that purpose as contemplated by Section 201 of this Indenture.

"Responsible Officer," when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman of the trust committee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning specified in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

"Security Documents" means [list all documents creating Security Interests in favor of the bondholders] and all other documents entered into or executed from time to time which create or perfect a lien on Property of the Company in favor of the Trustee for the benefit of Holders.

"Security Interests" means the Liens on the Collateral created by the Security Documents in favor of the Trustee for the benefit of the Holders.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Significant Subsidiary" means a Subsidiary of any Person which would be a "significant subsidiary" as defined in Reg. Sec. 230.405 promulgated pursuant to the Securities Act as in effect on the date of the initial issuance of the Securities assuming that such Person is the "registrant" referred to in such definition; provided, that the Subsidiary owning the Harrah's Laughlin Casino will be deemed to be a "Significant Subsidiary" notwithstanding the foregoing.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Specified Collateral" means the assets of the Company and its Subsidiaries securing the Indenture Obligations in which the Company has granted or purported to grant to the Trustee, on behalf of the Holders, a first priority security interest in accordance with the terms of the Security Documents.

"Stated Maturity," when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"Subsidiary" with respect to any Person, means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person or (ii) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least majority ownership interest.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have assumed all of the duties and obligations of this Indenture pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. Government Obligations" means U.S. Legal Tender or direct non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"U.S. Legal Tender" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such

particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor, as the case may be, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon certificates of public officials or upon certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company or the Guarantor, as the case may be. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section 104.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of any Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to sign any instrument evidencing or embodying an Act of Holders. If a record date is fixed, those Persons who were Holders at such record date (or their duly appointed agents), and only those Persons, shall be entitled to sign any such instrument evidencing or embodying an Act of Holders or to revoke any such instrument previously signed, whether or not such Persons continue to be Holders after such record date.

SECTION 105. Notices, Etc., to Trustee, the Company and the Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration,

(2) the Company by the Trustee, by the Guarantor or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company, or

(3) the Guarantor by the Trustee, by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Guarantor, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Guarantor.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed on qualified indentures by any of Sections 310 through 317, inclusive, of the Trust Indenture Act, through the operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company or the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing contained in this Indenture or in the Securities, expressly or impliedly, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of principal of, or premium (if any) or interest on, the Securities need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Maturity Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity, as the case may be, if such payment is made or duly provided for on the next succeeding Business Day.

SECTION 114. Incorporators, Stockholders, Officers and Directors of the Company or the Guarantor Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture or any indenture supplemental hereto or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or of any successor corporation to either of them, either directly or through the Company, the Guarantor or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or of any such successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issue of such Securities.

SECTION 115. Duplicate Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or depository therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and

delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

As Trustee
By _____
Authorized Signatory

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1108

and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denomination of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(10) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the

Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity Date thereof pursuant to Section 502;

(14) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity Date other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 401, and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;

(17) provisions for securing all or any portion of the Debt evidenced by the Securities of a particular series, which provisions may be in addition to, in substitution for, in subtraction from, or in modification of (or any combination of the foregoing) the provisions of Article Thirteen.

(18) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(19) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(4), but which may modify or delete any provision of this Indenture with respect to such series, provided that no such term may modify or delete any provision hereof if imposed by the Trust Indenture Act, and provided, further that any modification or

deletion of the rights, duties or immunities of the Trustee hereunder shall have been consented to in writing by the Trustee).

If any of the foregoing terms are not available at the time such Board Resolution is adopted, or such Officers' Certificate or any supplemental indenture is executed, such resolutions, Officers' Certificate or supplemental indenture may reference the document or documents to be created in which such terms will be set forth prior to the issuance of such Securities.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company and the Guarantee shall be executed on behalf of the Guarantor by the Chairman of the Board, the President or one of the Vice Presidents of each of them, under the corporate seal of the Company or the Guarantor, as the case may be, reproduced thereon, and attested by the Secretary or one of the Assistant Secretaries of each of them. The signature of any of these officers on the Securities or Guarantees may be manual or facsimile.

Securities or Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company or the Guarantor shall bind the Company or the Guarantor, as the case may be, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities and Guarantees executed by the Company and the Guarantor to the Trustee for authentication, together with a Company Order for the authentication, and make available for delivery such Securities, and the Trustee in accordance with such Company Order shall

authenticate and deliver such Securities as in this Indenture provided and not otherwise.

The Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities and Guarantees, the Company and the Guarantor may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities and Guarantees which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities and Guarantees in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities and Guarantees may determine, as conclusively evidenced by their execution of such Securities and Guarantees.

If temporary Securities and Guarantees are issued, the Company will cause definitive Securities and Guarantees to be prepared without unreasonable delay. After the preparation of definitive Securities and Guarantees, the temporary Securities and Guarantees shall be exchangeable for definitive Securities and Guarantees upon surrender of the temporary Securities and Guarantees at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities and Guarantees, the Company and the Guarantor shall

execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, a like principal amount of definitive Securities and Guarantees of authorized denominations. Until so exchanged the temporary Securities and Guarantees shall in all respects be entitled to the same benefits under this Indenture as definitive Securities and Guarantees endorsed thereon.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency, and upon payment, if the Company shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 1108 or 1502 not involving any transfer.

The Company shall not be required to (i) issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (ii) register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portions of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company and the Guarantor shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a new Security, of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company and the Guarantor shall execute, and upon their request the Trustee shall authenticate and make available for delivery, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Interest on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the

close of business on the Regular Record Date for such interest, subject to the provisions of Section 1109.

Any interest on any Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date notwithstanding the fact that such Holder was a Holder on such Regular Record Date, and such Defaulted Interest may be paid by the Company, at its election, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 5 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may then be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause (2), such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange

for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not any payment due in respect of such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned promptly to the Company.

SECTION 310. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use the applicable "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction, Discharge of the Indenture and Defeasance of the Securities.

The Company shall be deemed to have paid and discharged the entire indebtedness on the Securities of any series, and the provisions of this Indenture with respect to such Securities shall cease to be of further effect (subject to Section 403), if:

(1) The Company irrevocably deposits in trust with the Trustee for the benefit of the Holders, pursuant to an irrevocable trust and security agreement in form and substance reasonably satisfactory to the Trustee, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Securities, money in an amount, or (iii) a combination thereof, after payment of all Federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof (in form and substance reasonably satisfactory to the Trustee) delivered to the Trustee, to pay the principal of, premium, if any, and each installment of principal, premium and interest on such Securities then outstanding at the Maturity Date, or Redemption Date, as the case may be, of such principal, premium, if any, or installment of principal, premium or interest in accordance with the terms of the Indenture, of any Officers' Certificate with respect to such Securities and of such Securities;

(2) Such deposits shall not cause the Trustee to have a conflicting interest as defined in and for purposes of the Trust Indenture Act;

(3) Such deposit will not result in a default under this Indenture;

(4) The deposit, defeasance and discharge will not be deemed, or result in, a Federal income taxable event to the Holders of such Securities and such Holders will be subject to Federal income tax in the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(5) The deposit shall not result in the Company's being subject to regulation pursuant to the provisions of the Investment Company Act of 1940;

(6) After the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to

Bankruptcy Laws insofar as those laws apply to the Company) following the deposit of the trust funds, such funds will not be subject to any Bankruptcy Laws affecting creditors' rights generally;

(7) Holders of such Securities will have a valid, perfected and unavoidable (under applicable Bankruptcy Laws), subject to the passage of time referred to in clause (6), first-priority security interest in the trust funds; and

(8) The Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified in this Section 401 relating to the defeasance contemplated by this Section 401 have been complied with.

In the event all or any portion of the Securities of a series are to be redeemed through such irrevocable trust, the Company must make arrangements satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

This Indenture will not be discharged if an Event of Default, or an event or condition which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of the deposit of such trust funds with the Trustee or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

In the event that the Company takes the necessary action to comply with the provisions described in this Section 401 and the Securities are declared due and payable because of the occurrence of an Event of Default, the Company will remain liable for all amounts due on the Securities at the time of acceleration resulting from such Event of Default in excess of the amount of money and U.S. Government Obligations deposited with the Trustee pursuant to this Section 401 at the time of such acceleration.

SECTION 402. Termination of Obligations upon Cancellation of the Securities.

In addition to the Company's rights under Section 401, the Company may terminate all of its and the Guarantor's respective obligations under the Securities of any series and this Indenture with respect to that series (subject to Section 403) when:

(1) (A) all Securities of that series theretofore authenticated and delivered (other than Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306) have been delivered to the Trustee for

cancellation; or (B) all such Securities of that series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee funds, in accordance with provisions of Section 401, in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities of that series not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Securities of that series which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified herein and in Section 401 relating to the satisfaction and discharge of this Indenture with respect to that series have been complied with.

SECTION 403. Survival of Certain Obligations.

Notwithstanding the satisfaction and discharge of this Indenture and of the Securities referred to in Section 401 or 402, the respective obligations of the Company, the Guarantor and the Trustee under Sections 303, 305, 306, 307, 405, 406, 407, 607, 609, 610, 701, 1001, 1002, 1003, 1101, 1201, 1202 and 1203 with respect to that series shall survive until the Securities of that series are no longer Outstanding (provided, that compliance with the requirements of Section 402 shall be deemed to render the Securities no longer to be Outstanding for purposes of this Section 403), and thereafter the obligations of the Company, the Guarantor and the Trustee under Sections 305, 405, 406, 407, 607 and 1101 shall survive.

SECTION 404. Acknowledgement of Discharge by Trustee.

After (i) the conditions of Sections 401 or 402 have been satisfied with respect to a series of Securities, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series and (iii) the Company has delivered to the Trustee an Officers' Certificate and

an Opinion of Counsel, each stating that all conditions precedent referred to in Sections 401 or 402, as applicable, relating to the satisfaction and discharge of this Indenture with respect to such series have been complied with, the Trustee upon request from, and at the expense of, the Company shall acknowledge in writing the discharge of the Company's obligations under this Indenture with respect to such series except for those surviving obligations specified in Section 403.

SECTION 405. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Sections 401 or 402 shall be held in trust and applied by it, in accordance with the provisions of the Securities, any Officers' Certificate with respect to such Securities and this Indenture, to the payment to the Persons, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee.

SECTION 406. Repayment to the Company.

Upon termination of the trust established pursuant to Sections 401 or 402, the Trustee and the Paying Agent shall promptly pay to the Company upon request any excess money or U.S. Government Obligations held by them.

SECTION 407. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Sections 401 or 402 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Sections 401 or 402 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Sections 401 or 402; provided, however, that if the Company or the Guarantor has made any payment of principal of, premium, if any, or interest on any Securities because of the reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such

Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any installments of interest upon any Security of that series as and when the same becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of all or any part of the principal or premium, if any, on the Securities of that series when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise; or
- (3) default in the observance or performance of any covenant, or agreement of the Company or the Guarantor contained in the Securities or in this Indenture (other than a default in the performance of any covenant or agreement which is specifically dealt with elsewhere in this Section 501 or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default for a period of 60 days after there has been given, by registered or certified mail, to the Company or the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by Holders of at least 40% in aggregate principal amount of the Outstanding Securities, a written notice specifying such default, requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or
- (4) a default which extends beyond any period of grace applicable thereto under any mortgage, indenture or instrument under which there is outstanding certain Debt of the Company or any of its Subsidiaries or failure to pay such Debt at its Stated Maturity, which default shall have resulted in such Debt becoming or being declared due and payable prior to the date it otherwise would have become due and payable; provided, however, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of the Company or any of its Subsidiaries if such default under such mortgage, indenture or instrument shall be remedied or cured by the Company or any of its Subsidiaries, as the case may be, within 10 days of such default and the acceleration of amounts due thereunder shall, as a result of such remedy or cure, be of no further effect; or
- (5) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Company or any of its Significant Subsidiaries under any Bankruptcy Law or similar statute, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the

Company, any of its Significant Subsidiaries, or of the property of any such Person, or for the winding up or liquidation of the affairs of any such Person, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 60 days; or

(6) the Company or any of its Significant Subsidiaries shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under any Bankruptcy Law or similar statute, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or any of its property or shall make an assignment for the benefit of creditors; or

(7) certain final judgments for the payment of money, which payments are not covered by insurance policies relieving the Company, and any of the Company's Subsidiaries from liability for such final judgments, shall be rendered against the Company or any of its Subsidiaries by a court of competent jurisdiction and shall remain undischarged for a period (during which execution shall not be effectively stayed) of 60 days after such judgment becomes final and nonappealable (or, in the case of any such final judgment which provides for payment over time, which shall so remain undischarged beyond any applicable payment date provided therein).

(8) the Company breaches any representation or warranty set forth in the Security Documents, or defaults in the performance of any covenant set forth in the Security Documents, or the Company repudiates its obligations under the Security Documents or the Security Documents become unenforceable against the Company for any reason.

SECTION 502. Acceleration of Maturity Date; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Section 501(5) or (6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then, and in every such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of that series, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all of the principal of the Securities of that series, determined as set forth below, together with accrued interest thereon, to be due and payable immediately. If an Event of Default specified in Section 501(5) or (6) with respect to Securities of any series at the time Outstanding occurs, all principal of, and accrued interest on, the Securities of that series shall be immediately due and payable on all Outstanding Securities of that series without any declaration or other act on the part of the Trustee or the Holders.

At any time after such a declaration of acceleration with respect to Securities of any series being made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article Five provided, the Holders of a majority in aggregate principal amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which would become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by such Securities,

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513, including, if applicable, any default in the covenants contained in Section 1501.

Notwithstanding the previous sentence of this Section 502, no rescission shall be effective for any acceleration with respect to Securities of any series resulting from an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Security of that series, unless all such affected Holders agree, in writing, to rescind such acceleration. No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity Date thereof, including the payment of the Redemption Price on any Redemption Date,

the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal, premium (if any) and interest, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue

principal (and premium, if any) and on any overdue interest, at the rate borne by such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities or the property of the Company, the Guarantor, or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise to take any and all actions authorized under the Trust Indenture Act, including

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the

Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium (if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- FIRST: To the payment of all amounts due the Trustee under Section 607;
- SECOND: To the payment of the amounts then due and unpaid for principal of, and premium (if any) and interest on, the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium (if any) and interest, respectively; and
- THIRD: To the payment of the remainder, if any, to whomsoever may be lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to, or to request, order or direct the Trustee to, institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Defaults in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred or reasonably probable to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture but subject to the provisions of Section 1109, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of, and premium (if any) and (subject to Section 307) interest on, such Security on the respective Stated Maturities of such payments as expressed in such Security (and in the case of redemption, the Redemption Price on the applicable Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder, except that no Holder shall have the right to institute any such suit, if and to the extent that the institution or prosecution thereof or the entry of

judgment therein would under applicable law result in the surrender, impairment, waiver, or loss of the lien of the Security Documents upon any Collateral subject to such lien.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Five or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of

Securities of such series not taking part in such direction,
and

(3) the Trustee may take any other action deemed proper
by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Default.

The Holders of not less than a majority in aggregate principal
amount of the Outstanding Securities of any series may, on behalf of the Holders
of all the Securities of such series, waive any past default hereunder with
respect to such series and its consequences, except a default

(1) in the payment of the principal of, premium, if any,
or interest on, any Security of such series as specified in
clauses (1) and (2) of Section 501, or

(2) in respect of a covenant or provision hereof which,
under Article Nine, cannot be modified or amended without the
consent of the Holder of each Outstanding Security of such
series affected.

Upon any such waiver, such default shall cease to exist, and
any Event of Default arising therefrom shall be deemed to have been cured, for
every purpose of this Indenture; but no such waiver shall extend to any
subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any
Security by his acceptance thereof shall be deemed to have agreed, that any
court may in its discretion require, in any suit for the enforcement of any
right or remedy under this Indenture, or in any suit against the Trustee for any
action taken, suffered or omitted by it as Trustee, the filing by any party
litigant in such suit of an undertaking to pay the costs of such suit, and that
such court may in its discretion assess reasonable costs, including reasonable
attorneys' fees, against any party litigant in such suit, having due regard to
the merits and good faith of the claims or defenses made by such party litigant;
but the provisions of this Section shall not apply to any suit instituted by the
Company, to any suit instituted by the Trustee, to any suit instituted by any
Holder, or group of Holders, holding in the aggregate more than 25% in aggregate
principal amount of the Outstanding Securities of any series, or to any suit
instituted by any Holder for enforcement of the payment of principal of, or
premium (if any) or interest on, any Security on or after the respective Stated
Maturities expressed in such Security (or, in the case of redemption, on or
after the Redemption Date).

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do
so) that it will not at any time insist upon, or plead, or in any manner

whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which, by any provision hereof, is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

Within 90 days after a default hereunder with respect to the Securities of any series occurs and is continuing, and if it is known to the Trustee, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, or premium (if any), or interest on, any Security at its Maturity Date, Redemption Date or otherwise, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(3) with respect to Securities of such Series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document

believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction or any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and believed, upon the written advice of counsel of its reasonable selection, by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Section 612, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company and the Guarantor agree

(1) to pay to the Trustee from time to time such reasonable compensation as the Company and the Trustee shall from time to time agree upon in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its non-employee agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon or determined by the income of the Trustee), incurred without negligence or bad faith on its

part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a claim prior to the Securities as to all property and funds properly held by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 607, except with respect to funds held in trust for the benefit of the Holders of particular Securities.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 608. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six. The Trustee shall comply with Trust Indenture Act Sec. 310(b).

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent

jurisdiction for the appointment of a successor Trustee with respect to Securities of one or more series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder, or

(2) the Trustee shall become incapable of acting or shall be judged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any Series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders with respect to the Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee of Securities of such series and the address of its Corporate Trust Office.

(g) If any of the Gaming Authorities requires a Trustee to be approved, licensed or qualified and the Trustee fails to do so, which approval, license or qualification shall be obtained upon the request of, and at the expense of, the Company, or, if the Trustee's relationship with the Company or the Guarantor may, in the Company's or the Guarantor's discretion, jeopardize any material gaming license or franchise or right or approval granted thereto, the Trustee shall resign, and, in addition, the Trustee may at its option resign if the Trustee in its sole discretion determines not to be so approved, licensed or qualified.

SECTION 610. Acceptance of Appointment by Successor.

Every successor Trustee with respect to all Securities appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges pursuant to Section 607, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add or change any of the provisions of this Indenture as shall be to

provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming each such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 612. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act Sec. 311(a), excluding any creditor relationship listed in Trust Indenture Act Sec. 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Sec. 311(a) to the extent indicated.

SECTION 613. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to one of more series of Securities which

shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent.

The Company agrees to pay each Authenticating Agent, as appointed from time to time, such reasonable fees as may be agreed to in writing by the Company, for services rendered under this Section 613.

If an appointment is made pursuant to this Section 613, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

_____,
as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company shall furnish or cause to be furnished to the Trustee

(a) semi-annually, not more than 15 days after each Regular Record Date for a series of Securities, a list, in such form as the Trustee may reasonably require, of the names

and addresses of the Holders of Securities of such series as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list in similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided in the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of any of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) At the expense of the Company, the Trustee or, if the Trustee is not the Registrar, the Registrar, shall report the names of record holders of the Securities to any Gaming Authority when requested to do so by the Company.

At the express direction of the Company and at the Company's expense, the Trustee will provide the Gaming Authorities with:

(i) copies of all notices, reports and other written communications which the Trustee gives to Holders;

(ii) a list of all of the Holders promptly after the original issuance of the Securities and periodically thereafter if the Company so directs;

(iii) notice of any Default under this Indenture, any acceleration of the Debt evidenced hereby, the institution of any legal actions or proceedings before any court or governmental authority in respect of a default or Event of Default hereunder;

(iv) notice of the removal or resignation of the Trustee within five Business Days of the effectiveness thereof;

(v) notice of any transfer or assignment of rights under this Indenture or the Guarantee known to the Trustee within five Business Days thereof; and

(vi) a copy of any amendment to the Securities, the Guarantee or this Indenture within five Business Days of the effectiveness thereof.

To the extent requested by the Company and at the Company's expense, the Trustee shall cooperate with the Gaming Authorities in order to provide such Gaming Authorities with the information and documentation requested and as otherwise required by the Gaming Laws.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed, with the Commission and with the Company. The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange.

SECTION 704. Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company or the Guarantor is required to file the same with the Commission, copies of the audited annual reports, unaudited quarterly reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if neither the Company nor the Guarantor is required to file information, documents or reports pursuant to either of said Sections, then the Company or the Guarantor shall file with the Trustee such of the

supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a company which has a security listed and registered on a national securities exchange, as may be prescribed from time to time in the rules and regulations of the Commission;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor with the conditions and covenants of this Indenture as may be required from time to time by rules and regulations prescribed from time to time by the Commission; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. The Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease, or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(1) (A) the Company shall be the continuing corporation in the case of a merger or (B) the resulting, surviving, or transferee entity (each such Person, or the Company in the case of clause (A), a "Surviving Entity") shall be a corporation or partnership organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered by the Surviving Entity to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company pursuant hereto and pursuant to the Securities;

(2) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after

notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been satisfied.

SECTION 802. Successor Substituted for the Company.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any sale, lease or conveyance of all or substantially all of the assets of the Company in accordance with Section 801, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein and thereafter and all the obligations of the Company hereunder and under the Securities shall terminate.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holder, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may amend or supplement this Indenture, the Securities or the Securities Documents, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or the Guarantor, as the case may be, and the assumption by any such successor of the obligations of the Company or the Guarantor, as the case may be, herein and in the Securities in accordance with Article Eight; or

(2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly, being included for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor; or

(3) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal; or

(4) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities provided that any such addition, change or elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding; or

(5) to provide for collateral for the Securities; or

(6) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this clause (4) shall not adversely affect the interests of the Holders in any material respect; or

(7) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(8) to make any change that does not adversely affect the rights of any Holder; and

(9) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301.

SECTION 902. Amendments, Supplemental Indentures and Waivers with Consent of Holders.

Subject to Section 508, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series effected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee may amend this Indenture or enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture. Subject to Section 508, the Holder or Holders of a majority, in principal amount of the Outstanding Securities may waive compliance by the Company with any provision of this Indenture. Notwithstanding any of the above, however, no such amendment, supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any Security, or reduce the principal amount

thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(3) modify any of the provisions of the waiver provisions, except to increase any required percentage, or

(4) make any changes in Section 508, 513 or this third sentence of Section 9.02.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, supplemental indenture or waiver, but it shall be sufficient if such Act shall approve the substance thereof.

After an amendment, supplemental indenture or waiver under this Section becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplemental indenture or waiver. Any failure of the Company to mail such notice, or defect therein, shall not, however, in any way impair or affect the validity of such amendment, supplemental indenture or waiver.

SECTION 903. Execution of Amendment or Supplemental Indentures.

In executing, or accepting the additional trusts created by, any amendment or supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel of the Company or the Guarantor, stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Amendment or Supplemental Indentures.

Upon the execution of any amendment or supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (3) of Section 902, in which case, the

amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

SECTION 905. Conformity with Trust Indenture Act.

Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements applicable to indentures qualified under the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Amendments or Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such amendment or supplemental indenture may be prepared and executed by the Company and the Guarantor, and authenticated and made available for delivery by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company will duly and punctually pay the principal of, premium, if any, and interest on, the Securities and the Redemption Price as and when due, in accordance with the terms of the Securities and this Indenture, subject, in each case, to the provisions of Section 1109.

The Company shall pay interest on overdue amounts at the rate set forth on the face of the Securities, and it shall pay interest on overdue interest at the same rate compounded semiannually (to the extent that the payment of such interest shall be legally enforceable), which interest on overdue interest shall accrue from the date such amounts became overdue.

SECTION 1002. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee

with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, on or before each due date of the principal of, premium, if any, or interest on, any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents with respect to any series of Securities, it shall, prior to each due date of the principal of, premium, if any, or interest on, any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(1) hold all sums held by it for the payment of the principal of, premium, if any, or interest on, Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest in respect of any Security of a series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company in trust for the payment of the principal of, premium, if any, or interest on, any Security and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Company, cause to be published once, in a newspaper customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

SECTION 1004. Statements of Officers of the Company and the Guarantor as to Default; Notice of Default.

(a) The Company and the Guarantor shall each deliver to the Trustee, within 120 days after the end of each fiscal year of the Company and the Guarantor, as the case may be, a certificate, signed by the principal executive officer, principal financial officer, or principal accounting officer, stating that such officer has conducted or supervised a review of the activities of the Company or the Guarantor, as the case may be, and its Subsidiaries and of performance under this Indenture and whether or not to the best knowledge of the signers thereof the Company or the Guarantor, as the case may be, has fulfilled all of its obligations under this Indenture or is in default (without regard to periods of grace or requirements of notice) in the performance and observance of any of the terms, provisions and conditions hereof, and if the Company or the Guarantor, as the case may be, shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

(b) The Company or the Guarantor, as the case may be, shall file with the Trustee written notice of the occurrence of any default or Event

of Default or event or condition which with notice or the lapse of time or both would become an Event of Default within five Business Days of its becoming aware of any such default, Event of Default or event or condition.

SECTION 1005. Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 1006. Maintenance of Properties.

The Company shall cause all material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 1006 shall prevent the Company from discontinuing the operation or maintenance of any of such properties or disposing of any of them if such discontinuance or disposal is, in the judgment of the Company desirable in the conduct of its business or the business of any Subsidiary.

SECTION 1007. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary, in each case, material to the Company and its Subsidiaries, taken as a whole; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which disputed amounts adequate reserves have been made.

SECTION 1008. Limitation on Layering Debt.

Neither the Company nor the Guarantor may create, incur, assume or suffer to exist any Debt that is subordinate in right of payment to any other Debt of the Company or the Guarantor, as applicable, unless, by its terms or the terms of the instrument creating or evidencing it, such Debt is

subordinate in right of payment to, or ranks pari passu with, the Securities or, in the case of Guarantor, the Guarantee.

SECTION 1009. Limitation on Status as Investment Company.

Neither the Company nor any of its Subsidiaries may become an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), to the extent any are subject to regulation under the Investment Company Act of 1940, as amended, except for Subsidiaries established for the purpose of financing the other operating businesses of the Company or its Subsidiaries.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Right of Redemption.

The Securities may be redeemed at the election of the Company as specified in the form of Security or as specified in Section 1109.

SECTION 1102. Applicability of Article.

Redemption of any series of Securities at the election of the Company, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

SECTION 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Board Resolution of the Company. In case of any redemption at the election of the Company of less than all the Securities of a series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

SECTION 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of a series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than \$1,000.

The Trustee shall promptly notify the Company and each Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1105. Notice of Redemption.

Notice of Redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed, and that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities equal to the unredeemed portions thereof will be issued,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date,
- (5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and
- (6) the CUSIP number of the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1106. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount

of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date, subject to the provisions of Section 1109.

SECTION 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, subject to the provisions of Section 1109, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued and unpaid interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid for by the Company at the Redemption Price, together with accrued and unpaid interest to the Redemption Date subject to the provisions of Section 1109; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

SECTION 1108. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 1109. Redemption to Comply with Gaming Laws.

Notwithstanding the other provisions of this Indenture, if a Holder or beneficial owner of a Security is required to qualify under the Gaming Laws and does not so qualify, the Holder will be obliged, at the request of the Company, to dispose of such Holder's Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authority (in which event the Company's obligation to pay any interest after the receipt of such notice shall be limited as provided in such Gaming Laws), and, thereafter, the Company shall have the right to redeem, on the date fixed by the

Company for redemption of such Securities, such Holder's Securities at a redemption price equal to 100% of the principal amount without accrued interest thereon from such date as required by such Gaming Laws. If the Company elects to redeem Securities pursuant to this paragraph, the notice required by Sections 1103 and 1105 shall be deemed properly given, if mailed by the Company at any time prior to such redemption date fixed by the Company.

ARTICLE TWELVE

GUARANTEE

SECTION 1201. Guarantee.

(a) Subject to subsection (b), below, and subject to the provisions of Section 1109, the Guarantor hereby irrevocably and unconditionally guarantees (such guarantee being the "Guarantee") to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture and the Securities hereunder, that: (i) the principal of, premium, if any, and interest on the Securities promptly will be paid in full when due, whether at the maturity or Interest Payment Date, by acceleration, call for redemption or otherwise, and interest on the overdue principal, premium, if any, and interest, if any, of the Securities, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof, and (ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due by the Company of any amount so guaranteed for whatever reason, the Guarantor shall be obligated to pay the same immediately. The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities and this Indenture. If any Holder or the Trustee is required by any court or otherwise to return to the Company or any custodian, Trustee, liquidator or other similar official acting in relation to the Company, any amount paid by the Company to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any

obligations guaranteed hereby until payment in full of all obligations is guaranteed hereby.

(b) It is the intention of the Guarantor and the Company that the obligations of the Guarantor hereunder shall be, but not in excess of, the maximum amount permitted by applicable law. Accordingly, if the obligations in respect of the Guarantee would be annulled, avoided or subordinated to the creditors of the Guarantor by a court of competent jurisdiction in a proceeding actually pending before such court as a result of a determination both that such Guarantee was made without fair consideration and, immediately after giving effect thereto, the Guarantor was insolvent or unable to pay its debts as they mature or left with an unreasonably small capital, then the obligations of the Guarantor under the Guarantee shall be reduced by such court if such reduction would result in the avoidance of such annulment, avoidance or subordination; provided, however, that any reduction pursuant to this paragraph shall be made in the smallest amount as is strictly necessary to reach such result. For purposes of this paragraph, "fair consideration," "insolvency," "unable to pay its debts as they mature," "unreasonably small capital" and the effective times of reductions, if any, required by this paragraph shall be determined in accordance with applicable law.

(c) The Guarantor shall be subrogated to all rights of the Holders against the Company in respect of any amounts paid by Guarantor pursuant to the provisions of the Guarantee or this Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, premium, if any, and interest on all Securities issued hereunder shall have been paid in full.

SECTION 1202. Execution and Delivery of Guarantee.

To evidence the Guarantee set forth in Section 1201, the Company and the Guarantor hereby agree that a notation of such Guarantee shall be endorsed on each Security authenticated and delivered by the Trustee, that such notation of such Guarantee shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and that this Indenture shall be executed on behalf of the Guarantor by its Chairman of the Board, one of its Vice Chairmen of the Board, its President or one of its Vice Presidents under a facsimile of its seal reproduced thereon and attested to by another officer other than the officer executing the Indenture, as the case may be.

The Guarantor hereby agrees that the Guarantee set forth in Section 1201 shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of the Guarantee.

If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Security on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantor.

SECTION 1203. Release of Guarantor.

The Guarantor shall be released from all of its obligations under the Guarantee and under this Indenture if:

(a) (i) the Company or the Guarantor has transferred all or substantially all of its properties and assets to any Person (whether by sale, merger or consolidation or otherwise), or has merged into or consolidated with another Person, pursuant to a transaction in compliance with this Indenture;

(ii) the corporation to whom all or substantially all of the properties and assets of the Company or the Guarantor are transferred, or whom the Company or the Guarantor has merged into or consolidated with, has expressly assumed, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantees and this Indenture;

(iii) immediately before and immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iv) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(b) the Guarantor liquidates (other than pursuant to any Bankruptcy Law) and complies, if applicable, with the provisions of this Indenture; provided that if a Person and its Affiliates, if any, shall acquire all or substantially all of the assets of the Guarantor upon such liquidation the Guarantor shall liquidate only if:

(i) the Person and each such Affiliate (or the common corporate parent of such Person and its Affiliates, if such Person and its Affiliates are wholly owned by such parent) which acquire or will acquire all or a portion of the assets of the Guarantor shall expressly assume, by an indenture supplemental hereto,

executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor, under the Guarantees and this Indenture and such Person or any of such Affiliates (or such parent) shall be a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iii) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such liquidation and such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(c) the Company ceases for any reason to be a "wholly owned subsidiary" of the Guarantor (as such term is defined in Rule 1-02(z) of the Regulation S-X promulgated by the Commission).

Upon any assumption of the Guarantee by any Person pursuant to this Section, such Person may exercise every right and power of the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the Guarantor, hereunder and under the Guarantees and the Indenture shall terminate.

SECTION 1204. When Guarantor May Merge, etc.

The Guarantor shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(a) either the Guarantor shall be the continuing person, or the Person (if other than the Guarantor) formed by such consolidation or into which the Guarantor is merged or to which the assets of the Guarantor are transferred shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantee and this Indenture;

(b) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and such supplemental indenture comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any sale, conveyance or lease of all or substantially all of the assets of the Guarantor, in accordance with this Section, the successor corporation formed by such consolidation or into which the Guarantor is merged or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the predecessor Guarantor hereunder and under the Guarantee and the Indenture shall terminate.

ARTICLE THIRTEEN

SECURITY

SECTION 1301. Security Interests.

(a) In order to secure the Indenture Obligations, the Company has, pursuant to the Security Documents, granted the Security Interests to the Trustee, for the benefit of the Holders. The Trustee, by its execution hereof, and each Holder, by accepting a Security, agree to all of the terms and provisions of the Security Documents, as the same may be amended from time to time pursuant to the provisions of this Indenture. The Trustee and each Holder acknowledge that, as more fully set forth in the Security Documents, the rights of the Holders (or the Trustee on their behalf) to receive proceeds from the disposition of the Other Collateral is subordinated to the Bank Security Interests, as set forth in Section 13.03.

(b) The Security Interests as now or hereafter in effect shall be for the equal and ratable benefit and security of the Holders without preference, priority or distinction of any thereof over any other by reason of difference in time of issuance, sale or otherwise, and for the enforcement of the Indenture Obligations.

(c) The Company has executed and delivered, filed and recorded or will execute and deliver, file and record, all instruments and documents, and has done or will do all such acts and other things as are reasonably necessary to subject the Collateral to the Security Interests. The Company will execute and deliver, file and record all instruments and do all

acts and other things as may be reasonably necessary or advisable to perfect, maintain and protect the Security Interests.

SECTION 1302. Recording, etc.

The Company will cause, at its own expense, this Indenture, the Security Documents and all amendments and supplements thereto, to be registered, recorded and filed and/or re-registered, recorded, re-filed and renewed in such manner and in such place or places, if any, as may be required by law in order fully to preserve and protect the lien of the Security Documents on all parts of the Collateral and to effectuate and preserve the security of the Holders and all rights of the Trustee.

The Company shall furnish to the Trustee:

(i) promptly after the execution and delivery of the Indenture an Opinion of Counsel either (a) stating that, in the opinion of such counsel, this Indenture and the assignment of the Collateral intended to be made by the Security Documents and all other instruments of further assurance or amendment have been properly recorded, registered and filed to the extent necessary to make effective the lien intended to be created by the Security Documents, and reciting the details of such action and stating that as to the Security Documents such recording, registering and filing are the only recordings, registrations and filings necessary to give notice thereof and further stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Security Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to make such lien and assignment effective; and

(ii) within 30 days after each anniversary date of the execution and delivery of the Indenture, an Opinion of Counsel either (a) stating that, in the opinion of such counsel, this Indenture and the assignment of the Collateral intended to be made by the Security Documents and all other instruments of further assurance or amendment have been properly registered, recorded, filed, re-registered, re-recorded and re-filed to the extent necessary to maintain the lien intended to be created by the Security Documents, and reciting the details of such action and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder and under the Security Documents, or (b) stating that, in the opinion of such counsel, no such action is necessary to maintain such lien.

The Company shall cause Section 314(d) of the TIA relating to the release of property from the lien of the Security Documents to be complied with to the extent applicable. Any certificate or opinion required by Section 314(d) of the TIA may be made by an Officer of the Company to the extent permitted by Section 314(d) of the TIA.

SECTION 1303. Lien Subordination.

(a) Bank Security Interests in the Other Collateral shall be senior and prior in right to the Security Interests. The Trustee and each Holder acknowledge that the rights of the Banks to receive proceeds from the disposition of the Other Collateral is senior to the rights of the Holders to receive proceeds from the disposition of the Other Collateral.

(b) The priorities set forth in this Section 1303 are applicable irrespective of the order of creation, attachment or perfection of any Liens or security interests or any priority that might otherwise be available to the Holders, the Trustee, or any Bank under the applicable law.

(c) The priorities set forth in this Section 1303 are premised upon the assumption that the Bank Security Interests are duly and properly created and perfected and are not avoidable for any reason. Accordingly, to the extent that (but only for so long as) any Bank Security Interests are not duly and properly created and perfected or are avoidable for any reason, then the subordinations provided for in this Section 1303 shall not be effective as to the particular Collateral subject to such Bank Security Interests; provided, however, that the Trustee and each Holder, by accepting a Security, agree not to contest, or to bring (or voluntarily join in) any action or proceeding for the purpose of contesting the validity, perfection or priority (as herein provided) of, or seeking to avoid, any Bank Security Interests, and provided further, that nothing herein shall be deemed or construed to prevent any Bank from commencing an action or proceeding to assert any right or claim it may have arising under or in connection with any Bank Security Documents.

(d) Nothing in this Indenture or in any Security Document shall constitute a subordination of Indenture Obligations to Bank Obligations. The Indenture Obligations are and shall be pari passu in right of payment with the Bank Obligations.

SECTION 1304. Enforcement of Security.

The Trustee on behalf of the Holders may from time to time in its sole discretion in accordance with the terms of the Security Documents take or authorize the taking of such action with regard to the protection, exercise and/or enforcement of its rights in and to the Collateral as the Trustee may determine to be necessary or appropriate.

SECTION 1305. Intercreditor Arrangements Amongst the Banks.

Nothing in this Article Thirteen shall be construed so as to limit the Banks in setting forth their respective priorities in the Collateral in any intercreditor agreements amongst any of them.

SECTION 1306. Reliance on Opinion of Counsel.

The Trustee shall, before taking any action under this Article Thirteen, be entitled to receive an Opinion of Counsel, stating the legal effect of such action, and that such action will not be in contravention of the provisions hereof, and such opinion shall be full protection to the Trustee for any action taken or omitted to be taken in reliance thereon.

SECTION 1307. Purchaser May Rely.

A purchaser in good faith of the Collateral or any part thereof or interest therein which is purported to be transferred, granted or released by the Trustee as provided in this Article Thirteen, may rely on the authority of the Trustee to execute the transfer, grant or release, or to inquire as to the satisfaction of any conditions precedent to the exercise of such authority, or to see the application of the purchase price thereof.

SECTION 1308. Payment of Expenses.

On demand of the Trustee, the Company forthwith shall pay or satisfactorily provide for all reasonable expenditures incurred by the Trustee under this Article Thirteen and all such sums shall be a Lien upon the Collateral and shall be secured thereby.

SECTION 1309. Suits to Protect the Collateral.

Subject to Sections 1301, 1302, 1303 and 1304 of this Indenture, the Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of the Security Documents or this Indenture, including the power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid or, if the enforcement of, or compliance with, such enactment, rule or order would impair the Security Interests in contravention of this Indenture or be prejudicial to the interests of the Holders or of the Trustee.

SECTION 1310. Trustee's Duties.

The powers conferred upon the Trustee by this Article Thirteen are solely to protect the Security Interests and shall not impose any duty upon the Trustee to exercise any such powers except as expressly provided in this Indenture. The Trustee shall be under no duty to the Company whatsoever to make or give any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, or other notice or demand in

connection with any Collateral, or to take any steps necessary to preserve any rights against prior parties except as expressly provided in this Indenture. The Trustee shall not be liable to the Company for failure to collect or realize upon any or all of the Collateral, or for any delay in so doing, nor shall the Trustee be under any duty to the Company to take any action whatsoever with regard thereto. The Trustee shall have no duty to the Company to comply with any recording, filing, or other legal requirements necessary to establish or maintain the validity, priority or enforceability of, or the Trustee's rights in or to, any Collateral.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

HARRAH'S OPERATING COMPANY, INC.

By: _____

Name:
Title:

Attest:

[Seal] By: _____
Name:
Title:

HARRAH'S ENTERTAINMENT, INC.

[Seal] By: _____

Name:
Title:

By: _____

Name:
Title:

NATIONSBANK OF TENNESSEE, N.A.

[Seal] By: _____

Name:
Title:

By: _____

Name:
Title:

HARRAH'S OPERATING COMPANY, INC.,
 Issuer

HARRAH'S ENTERTAINMENT, INC.,
 Guarantor

and

NATIONSBANK OF
 TENNESSEE, N.A.,
 Trustee

Indenture

Dated as of _____, ____

\$ _____

_____% Senior Notes Due ____

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HARRAH'S OPERATING COMPANY, INC.
 Certain Sections of this Indenture relating to
 Sections 310 through 318 of the
 Trust Indenture Act of 1939:

Trust Indenture Act Section	Indenture Section
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310(a)(1)	608
(a)(2)	608
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
311(a)	609
(b)	612
312(a)	701
(a)	702
(b)	702(b)
(c)	702(c)
313(a)	703(a)
(a)(4)	703(a)
(b)	703(a)
(c)	703(a), (b) and (c)
(d)	703(c)
314(a)	704
(b)	Not Applicable
(c)(1)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	102
315(a)	601(a)
(b)	602
(c)	601(b)
(d)	601(c)
(e)	514
316(a)	101
(a)(1)(A)	502, 512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(e)
317(a)(1)	503
(a)(2)	504
(b)	103
318(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE, dated as of _____, 199__, among Harrah's Operating Company, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, Harrah's Entertainment, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, and NationsBank of Tennessee, having its principal corporate trust office at _____, as Trustee (herein called the "Trustee").

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Senior Notes to be issued in one or more series (the "Securities"), as herein provided, up to such principal amount as may from time to time be authorized in or pursuant to one or more resolutions of the Board of Directors or by supplemental indenture.

The Guarantor has duly authorized its guarantee (the "Guarantee") of all of the Company's obligations under the Securities, and to provide therefor the Guarantor has duly authorized the execution and delivery of this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture and any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(4) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Five, are defined in that Article.

"Acceleration Notice" has the meaning specified in Section 502.

"Act," when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Associate" has the meaning ascribed thereto under Rule 12b-2 under the Exchange Act.

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Bankruptcy Law" means Title 11, United States Code or any similar Federal or state law for the relief of debtors.

"Board of Directors" means the board of directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the Borough of Manhattan, the City of New York, are authorized or obligated by law or executive order to close.

"Capital Stock" means, with respect to any Person, any capital stock of such Person and shares, interests, participations or other ownership interests (however designated), of any Person and any rights (other than debt securities convertible into corporate stock), warrants or options to purchase any thereof, other than (except with respect to the definition of "Redeemable Stock"), in all such cases, Redeemable Stock.

"Capitalized Lease Obligation" means, with respect to any Person for any period, any obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP and the amount of such obligation shall be the capitalized amount thereof determined in accordance with such principles.

agreements that are secured by a perfected security interest in an obligation described in clause (i) and are with any bank described in clause (iii).

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company or the Guarantor, as the case may be, by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in The City of New York, at which at any particular time its corporate trust business shall be administered, which, as of the date of this Indenture, is located at _____.

"Debt" of any Person means, at any date, all obligations, contingent or otherwise, (i) of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) of such Person evidenced by bonds, debentures, notes or other similar instruments, if and to the extent any of the foregoing described in clauses (i) and (ii) would appear as a liability on the balance sheet of such Person, (iii) of such Person in respect of bankers acceptances, letters of credit or other similar instruments (or reimbursement obligations with respect thereto), (iv) of such Person under Capitalized Lease Obligations, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all Debt of others guaranteed by such Person (but only to the extent of such guarantees), (vii) to the extent not otherwise included, obligations of such Person under currency agreements and Interest Rate Agreements, (viii) the liquidation preference and any mandatory redemption payment obligations (without duplication) of such Person's Subsidiaries in respect of preferred stock issued by any such Subsidiary and (ix) in the case of such Person, the liquidation preference and any mandatory redemption payment obligations (without duplication) in respect of Redeemable Stock. In addition, "Debt" of any Person shall include Debt described in the foregoing clauses (i) and (ii) that would not appear as a liability on the balance sheet of such Person if (1) such Debt is the obligation of a partnership or joint venture that

is not a Subsidiary of such Person (the "Joint Venture"), (2) such Person or a Subsidiary of such Person is a general partner of the Joint Venture (the "General Partner"), and (3) there is recourse, by contract or operation of law, with respect to payment of such obligations to property or assets of such Person or a Subsidiary of such Person; then such Debt shall be included in an amount not to exceed the greater of (A) the net assets of the General Partner, and (B) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Subsidiary of such Person (other than the General Partner). In the case of Debt of others secured by a Lien to which the assets owned or held by such Person is subject, the amount of the Debt of such Person at any date shall be the lesser of the fair market value at such date of determination of any asset subject to a Lien securing the Debt of others and the amount of the Debt secured.

"Defaulted Interest" has the meaning specified in Section 307.

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles as in effect in the United States on the date of this Indenture.

"Gaming Authority" means the Nevada Gaming Commission, the Nevada Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement or any similar commission or agency which has, or may at any time after the date of this Indenture have, jurisdiction over the gaming activities of the Company or the Guarantor or a Subsidiary of the Company or the Guarantor or any successor thereto.

"Gaming Laws" means the gaming laws of a jurisdiction or jurisdictions to which the Company, the Guarantor or a Subsidiary of any of them is, or may at any time after the date of this Indenture be, subject.

"Group" means a group as that term is used in Sections 13(d) and 14(d) of the Exchange Act.

"Guarantee" shall have the meaning set forth in Section 1201 hereof.

"Guarantor" means the person named as the "Guarantor" in the first paragraph of this instrument until a successor Person replaces it pursuant to

the terms hereof and thereafter means such successor and any other Person which, pursuant to the terms hereof, shall guarantee any of the obligations of the Securities.

"Holder" means a Person in whose name a Security is registered in the Security Register and, when used with respect to any Security or Securities, means the Person or Persons in whose name such Security is, or Securities are, registered in the Security Register.

"Incur" means, directly or indirectly, to create, incur, assume, guarantee or otherwise become liable for; "Incurrence" has a correlative meaning.

"Indenture" means this instrument as originally executed or, if amended or supplemented as provided herein, as so supplemented or amended.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities.

"Interest Rate Agreement" means any obligation of any Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount; provided, that the term "Interest Rate Agreement" shall also include any obligations of such Person under interest rate exchange, collar, cap, swap option or similar agreements providing interest rate protection.

"Lien" means any mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property, or a security interest of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell and any filing of or agreement to give any financing

statement under the Uniform Commercial Code (or similar statutes) of any jurisdiction).

"Maturity Date," when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption on a Redemption Date or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of legal counsel, who may be an employee of or counsel for the Company or the Guarantor, as the case may be, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Securities, or portions thereof, for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice

of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; provided, further, that if for any reason such Securities are not redeemed on the Redemption Date, such Securities will be deemed Outstanding; and

(iii) Securities which have been replaced or paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

"Paying Agent" means any Person authorized by the Company pursuant to this Indenture to pay the principal of, premium (if any) or interest on, any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, joint venture, trust, association, joint-stock company, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redeemable Stock" means any series or class of Capital Stock of the Company which is or may be required to be redeemed, in whole or in part, or may be put to the Company or any of its Subsidiaries, in whole or in part, at the option of the Holder thereof, on or prior to the maturity of the Securities, or is or may be, mandatorily or at the option of the holder thereof, convertible or exchangeable into or exercisable for such Capital Stock of the Company on or prior to the maturity of the Securities; provided, however, that such Capital Stock will not be Redeemable Stock if it is redeemable prior to the maturity of the Securities only if: (A) the holder or a beneficial owner of such equity security is required to qualify under the gaming laws of any jurisdiction to which such Person or any Subsidiary is subject and does not so qualify, or (B) the board of directors of such Person determines in its good faith judgment that as a result of a holder or beneficial owner owning such equity securities, such Person or a Subsidiary of such Person has lost or may lose any license or franchise or any right or approval granted thereunder from any governmental agency held by such Person or any Subsidiary of such Person necessary to conduct any portion of the business of such Person or any Subsidiary of such Person, which if lost or not reinstated, as the case may be, would have a material adverse effect on the business of such Person or its Subsidiary or would restrict the ability of such Person or its Subsidiary to conduct business in any gaming jurisdiction.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture, including as applicable without duplication, any accrued and unpaid interest due upon such redemption pursuant to the terms of this Indenture.

"Regular Record Date" for the interest payable on any interest payment date on the Securities of any series shall mean the date, if any, specified for that purpose as contemplated by Section 201 of this Indenture.

"Responsible Officer," when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman

of the trust committee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning specified in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Significant Subsidiary" means a Subsidiary of any Person which would be a "significant subsidiary" as defined in Reg. Sec. 230.405 promulgated pursuant to the Securities Act as in effect on the date of the initial issuance of the Securities assuming that such Person is the "registrant" referred to in such definition; provided, that the Subsidiary owning the Harrah's Laughlin Casino will be deemed to be a "Significant Subsidiary" notwithstanding the foregoing.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"Subsidiary" with respect to any Person, means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person or (ii) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person

and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least majority ownership interest.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have assumed all of the duties and obligations of this Indenture pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. Government Obligations" means U.S. Legal Tender or direct non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"U.S. Legal Tender" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor, as the case may be, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon certificates of public officials or upon certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company or the Guarantor, as the case may be. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section 104.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of any Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the

Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to sign any instrument evidencing or embodying an Act of Holders. If a record date is fixed, those Persons who were Holders at such record date (or their duly appointed agents), and only those Persons, shall be entitled to sign any such instrument evidencing or embodying an Act of Holders or to revoke any such instrument previously signed, whether or not such Persons continue to be Holders after such record date.

SECTION 105. Notices, Etc., to Trustee, the Company and the Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration,

(2) the Company by the Trustee, by the Guarantor or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company, or

(3) the Guarantor by the Trustee, by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Guarantor, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Guarantor.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed on qualified indentures by any of Sections 310 through 317, inclusive, of the Trust Indenture Act, through the operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company or the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing contained in this Indenture or in the Securities, expressly or impliedly, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of principal of, or premium (if any) or interest on, the Securities need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Maturity Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity, as the case may be, if such payment is made or duly provided for on the next succeeding Business Day.

SECTION 114. Incorporators, Stockholders, Officers and Directors of the Company or the Guarantor Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture or any indenture supplemental hereto or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or of any successor corporation to either of them, either directly or through the Company, the Guarantor or any successor

corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or of any such successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issue of such Securities.

SECTION 115. Duplicate Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or depository therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and

delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

As Trustee
By _____
Authorized Signatory

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1108 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denomination of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(10) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity Date thereof pursuant to Section 502;

(14) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity Date other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 401, and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;

(17) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(18) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5), but which may modify or delete any provision of this Indenture with respect to such series, provided that no such term may modify or delete any provision hereof if imposed by the Trust Indenture Act, and provided, further that any modification or deletion of the rights, duties or immunities of the Trustee hereunder shall have been consented to in writing by the Trustee).

If any of the foregoing terms are not available at the time such Board Resolution is adopted, or such Officers' Certificate or any supplemental indenture is executed, such resolutions, Officers' Certificate or supplemental indenture may reference the document or documents to be created in which such terms will be set forth prior to the issuance of such Securities.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company and the Guarantee shall be executed on behalf of the Guarantor by the Chairman of the Board, the President or one of the Vice Presidents of each of them, under the corporate seal of the Company or the Guarantor, as the case may be, reproduced thereon, and attested by the Secretary or one of the Assistant Secretaries of each of them. The signature of any of these officers on the Securities or Guarantees may be manual or facsimile.

Securities or Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company or the Guarantor shall bind the Company or the Guarantor, as the case may be, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities and Guarantees executed by the Company and the Guarantor to the Trustee for authentication, together with a Company Order for the authentication, and make available for delivery such Securities, and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

The Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities and Guarantees, the Company and the Guarantor may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities and Guarantees which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities and Guarantees in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities and Guarantees may determine, as conclusively evidenced by their execution of such Securities and Guarantees.

If temporary Securities and Guarantees are issued, the Company will cause definitive Securities and Guarantees to be prepared without unreasonable delay. After the preparation of definitive Securities and Guarantees, the temporary Securities and Guarantees shall be exchangeable for definitive Securities and Guarantees upon surrender of the temporary Securities and Guarantees at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities and Guarantees, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, a like principal amount of definitive Securities and Guarantees of authorized denominations. Until so exchanged the temporary

Securities and Guarantees shall in all respects be entitled to the same benefits under this Indenture as definitive Securities and Guarantees endorsed thereon.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency, and upon payment, if the Company shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 1108 or 1502 not involving any transfer.

The Company shall not be required to (i) issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (ii) register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portions of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company and the Guarantor shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a new Security, of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company and the Guarantor shall execute, and upon their request the Trustee shall authenticate and make available for delivery, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Interest on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, subject to the provisions of Section 1109.

Any interest on any Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date notwithstanding the fact that such Holder was a Holder on such Regular Record Date, and such Defaulted Interest may be paid by the Company, at its election, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed

payment and not less than 5 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may then be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause (2), such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not any payment due in respect of such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee,

be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned promptly to the Company.

SECTION 310. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use the applicable "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction, Discharge of the Indenture and Defeasance of the Securities.

The Company shall be deemed to have paid and discharged the entire indebtedness on the Securities of any series, and the provisions of this Indenture with respect to such Securities shall cease to be of further effect (subject to Section 403), if:

(1) The Company irrevocably deposits in trust with the Trustee for the benefit of the Holders, pursuant to an irrevocable trust and security agreement in form and substance reasonably satisfactory to

the Trustee, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Securities, money in an amount, or (iii) a combination thereof, after payment of all Federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof (in form and substance reasonably satisfactory to the Trustee) delivered to the Trustee, to pay the principal of, premium, if any, and each installment of principal, premium and interest on such Securities then outstanding at the Maturity Date, or Redemption Date, as the case may be, of such principal, premium, if any, or installment of principal, premium or interest in accordance with the terms of the Indenture, of any Officers' Certificate with respect to such Securities and of such Securities;

(2) Such deposits shall not cause the Trustee to have a conflicting interest as defined in and for purposes of the Trust Indenture Act;

(3) Such deposit will not result in a default under this Indenture;

(4) The deposit, defeasance and discharge will not be deemed, or result in, a Federal income taxable event to the Holders of such Securities and such Holders will be subject to Federal income tax in the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(5) The deposit shall not result in the Company's being subject to regulation pursuant to the provisions of the Investment Company Act of 1940;

(6) After the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to Bankruptcy Laws insofar as those laws apply to the Company) following the deposit of the trust funds, such funds will not be subject to any Bankruptcy Laws affecting creditors' rights generally;

(7) Holders of such Securities will have a valid, perfected and unavoidable (under applicable Bankruptcy Laws), subject to

the passage of time referred to in clause (6), first-priority security interest in the trust funds; and

(8) The Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified in this Section 401 relating to the defeasance contemplated by this Section 401 have been complied with.

In the event all or any portion of the Securities of a series are to be redeemed through such irrevocable trust, the Company must make arrangements satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

This Indenture will not be discharged if an Event of Default, or an event or condition which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of the deposit of such trust funds with the Trustee or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

In the event that the Company takes the necessary action to comply with the provisions described in this Section 401 and the Securities are declared due and payable because of the occurrence of an Event of Default, the Company will remain liable for all amounts due on the Securities at the time of acceleration resulting from such Event of Default in excess of the amount of money and U.S. Government Obligations deposited with the Trustee pursuant to this Section 401 at the time of such acceleration.

SECTION 402. Termination of Obligations upon Cancellation of the Securities.

In addition to the Company's rights under Section 401, the Company may terminate all of its and the Guarantor's respective obligations under the Securities of any series and this Indenture with respect to that series (subject to Section 403) when:

(1) (A) all Securities of that series theretofore authenticated and delivered (other than Securities which have been

destroyed, lost or stolen and which have been replaced or paid as provided in Section 306) have been delivered to the Trustee for cancellation; or (B) all such Securities of that series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee funds, in accordance with provisions of Section 401, in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities of that series not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Securities of that series which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified herein and in Section 401 relating to the satisfaction and discharge of this Indenture with respect to that series have been complied with.

SECTION 403. Survival of Certain Obligations.

Notwithstanding the satisfaction and discharge of this Indenture and of the Securities referred to in Section 401 or 402, the respective obligations of the Company, the Guarantor and the Trustee under Sections 303, 305, 306, 307, 405, 406, 407, 607, 609, 610, 701, 1001, 1002, 1003, 1101, 1201, 1202 and 1203 with respect to that series shall survive until the Securities of that series are no longer Outstanding (provided, that compliance with the requirements of

Section 402 shall be deemed to render the Securities no longer to be Outstanding for purposes of this Section 403), and thereafter the obligations of the Company, the Guarantor and the Trustee under Sections 305, 405, 406, 407, 607 and 1101 shall survive.

SECTION 404. Acknowledgement of Discharge by Trustee.

After (i) the conditions of Sections 401 or 402 have been satisfied with respect to a series of Securities, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in Sections 401 or 402, as applicable, relating to the satisfaction and discharge of this Indenture with respect to such series have been complied with, the Trustee upon request from, and at the expense of, the Company shall acknowledge in writing the discharge of the Company's obligations under this Indenture with respect to such series except for those surviving obligations specified in Section 403.

SECTION 405. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Sections 401 or 402 shall be held in trust and applied by it, in accordance with the provisions of the Securities, any Officers' Certificate with respect to such Securities and this Indenture, to the payment to the Persons, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee.

SECTION 406. Repayment to the Company.

Upon termination of the trust established pursuant to Sections 401 or 402, the Trustee and the Paying Agent shall promptly pay to the Company upon request any excess money or U.S. Government Obligations held by them.

SECTION 407. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Sections 401 or 402 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such

application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Sections 401 or 402 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Sections 401 or 402; provided, however, that if the Company or the Guarantor has made any payment of principal of, premium, if any, or interest on any Securities because of the reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any installments of interest upon any Security of that series as and when the same becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of all or any part of the principal or premium, if any, on the Securities of that series when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise; or

(3) default in the observance or performance of any covenant, or agreement of the Company or the Guarantor contained in the Securities or in this Indenture (other than a default in the performance of any covenant or agreement which is specifically dealt with elsewhere in this Section 501 or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default for a period of 60 days after there has been given, by registered or certified mail, to the

Company or the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by Holders of at least 40% in aggregate principal amount of the Outstanding Securities, a written notice specifying such default, requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a default which extends beyond any period of grace applicable thereto under any mortgage, indenture or instrument under which there is outstanding certain Debt of the Company or any of its Subsidiaries or failure to pay such Debt at its Stated Maturity, which default shall have resulted in such Debt becoming or being declared due and payable prior to the date it otherwise would have become due and payable; provided, however, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of the Company or any of its Subsidiaries if such default under such mortgage, indenture or instrument shall be remedied or cured by the Company or any of its Subsidiaries, as the case may be, within 10 days of such default and the acceleration of amounts due thereunder shall, as a result of such remedy or cure, be of no further effect; or

(5) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Company or any of its Significant Subsidiaries under any Bankruptcy Law or similar statute, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company, any of its Significant Subsidiaries, or of the property of any such Person, or for the winding up or liquidation of the affairs of any such Person, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 60 days; or

(6) the Company or any of its Significant Subsidiaries shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under any Bankruptcy Law or similar statute, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or

any of its property or shall make an assignment for the benefit of creditors; or

(7) certain final judgments for the payment of money, which payments are not covered by insurance policies relieving the Company, and any of the Company's Subsidiaries from liability for such final judgments, shall be rendered against the Company or any of its Subsidiaries by a court of competent jurisdiction and shall remain undischarged for a period (during which execution shall not be effectively stayed) of 60 days after such judgment becomes final and nonappealable (or, in the case of any such final judgment which provides for payment over time, which shall so remain undischarged beyond any applicable payment date provided therein).

SECTION 502. Acceleration of Maturity Date; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Section 501(5) or (6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then, and in every such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of that series, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all of the principal of the Securities of that series, determined as set forth below, together with accrued interest thereon, to be due and payable immediately. If an Event of Default specified in Section 501(5) or (6) with respect to Securities of any series at the time Outstanding occurs, all principal of, and accrued interest on, the Securities of that series shall be immediately due and payable on all Outstanding Securities of that series without any declaration or other act on the part of the Trustee or the Holders.

At any time after such a declaration of acceleration with respect to Securities of any series being made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article Five provided, the Holders of a majority in aggregate principal amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which would become due otherwise

than by such declaration of acceleration and interest thereon at the rate borne by such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by such Securities,

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513, including, if applicable, any default in the covenants contained in Section 1501.

Notwithstanding the previous sentence of this Section 502, no rescission shall be effective for any acceleration with respect to Securities of any series resulting from an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Security of that series, unless all such affected Holders agree, in writing, to rescind such acceleration. No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity Date thereof, including the payment of the Redemption Price on any Redemption Date,

the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal, premium (if any) and interest, and, to the extent that

payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate borne by such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities or the property of the Company, the Guarantor, or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise to take any and all actions authorized under the Trust Indenture Act, including

- (i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee

(including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium (if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- FIRST: To the payment of all amounts due the Trustee under Section 607;
- SECOND: To the payment of the amounts then due and unpaid for principal of, and premium (if any) and interest on, the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium (if any) and interest, respectively; and
- THIRD: To the payment of the remainder, if any, to whomsoever may be lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to, or to request, order or direct the Trustee to, institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Defaults in its own name as Trustee hereunder;
- (3) such Holder or Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred or reasonably probable to be incurred in compliance with such request;
- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture but subject to the provisions of Section 1109, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of, and premium (if any) and (subject to Section 307) interest on, such Security on the respective Stated Maturities of such payments as expressed in such Security (and in the case of redemption, the Redemption Price on the applicable Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right

or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Five or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of Securities of such series not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Default.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of any series may, on behalf of the Holders of all the Securities of such series, waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of, premium, if any, or interest on, any Security of such series as specified in clauses (1) and (2) of Section 501, or

(2) in respect of a covenant or provision hereof which, under Article Nine, cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 25% in aggregate principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for enforcement of the payment of principal of, or premium (if any) or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of

any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which, by any provision hereof, is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

Within 90 days after a default hereunder with respect to the Securities of any series occurs and is continuing, and if it is known to the Trustee, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, or premium (if any), or interest on, any Security at its Maturity Date, Redemption Date or otherwise, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in

Section 501(3) with respect to Securities of such Series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction or any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond,

debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and believed, upon the written advice of counsel of its reasonable selection, by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Section 612, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company and the Guarantor agree

(1) to pay to the Trustee from time to time such reasonable compensation as the Company and the Trustee shall from time to time agree upon in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its non-employee agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon or determined by the income of the Trustee), incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a claim prior to the Securities as to all property and funds properly held by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 607, except with respect to funds held in trust for the benefit of the Holders of particular Securities.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 608. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six. The Trustee shall comply with Trust Indenture Act Sec. 310(b).

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to Securities of one or more series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder, or

(2) the Trustee shall become incapable of acting or shall be judged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any

Series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders with respect to the Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee of Securities of such series and the address of its Corporate Trust Office.

(g) If any of the Gaming Authorities requires a Trustee to be approved, licensed or qualified and the Trustee fails to do so, which approval, license or qualification shall be obtained upon the request of, and at the expense of, the Company, or, if the Trustee's relationship with the Company or the Guarantor may, in the Company's or the Guarantor's discretion, jeopardize any material gaming license or franchise or right or approval granted thereto, the Trustee shall resign, and, in addition, the Trustee may at its option resign if the Trustee in its sole discretion determines not to be so approved, licensed or qualified.

SECTION 610. Acceptance of Appointment by Successor.

Every successor Trustee with respect to all Securities appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges pursuant to Section 607, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add or change any of the provisions of this Indenture as shall be to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming each such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 612. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act Sec. 311(a), excluding any creditor relationship listed in Trust Indenture Act Sec. 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Sec. 311(a) to the extent indicated.

SECTION 613. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent.

The Company agrees to pay each Authenticating Agent, as appointed from time to time, such reasonable fees as may be agreed to in writing by the Company, for services rendered under this Section 613.

If an appointment is made pursuant to this Section 613, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

_____,
as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS
BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

Trustee The Company shall furnish or cause to be furnished to the

(a) semi-annually, not more than 15 days after each Regular Record Date for a series of Securities, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list in similar form and content as of a

date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided in the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of any of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) At the expense of the Company, the Trustee or, if the Trustee is not the Registrar, the Registrar, shall report the names of record holders of the Securities to any Gaming Authority when requested to do so by the Company.

At the express direction of the Company and at the Company's expense, the Trustee will provide the Gaming Authorities with:

(i) copies of all notices, reports and other written communications which the Trustee gives to Holders;

(ii) a list of all of the Holders promptly after the original issuance of the Securities and periodically thereafter if the Company so directs;

(iii) notice of any Default under this Indenture, any acceleration of the Debt evidenced hereby, the institution of any legal actions or proceedings before any court or governmental authority in respect of a default or Event of Default hereunder;

(iv) notice of the removal or resignation of the Trustee within five Business Days of the effectiveness thereof;

(v) notice of any transfer or assignment of rights under this Indenture or the Guarantee known to the Trustee within five Business Days thereof; and

(vi) a copy of any amendment to the Securities, the Guarantee or this Indenture within five Business Days of the effectiveness thereof.

To the extent requested by the Company and at the Company's expense, the Trustee shall cooperate with the Gaming Authorities in order to provide such Gaming Authorities with the information and documentation requested and as otherwise required by the Gaming Laws.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed, with the Commission and with the Company. The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange.

Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company or the Guarantor is required to file the same with the Commission, copies of the audited annual reports, unaudited quarterly reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if neither the Company nor the Guarantor is required to file information, documents or reports pursuant to either of said Sections, then the Company or the Guarantor shall file with the Trustee such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a company which has a security listed and registered on a national securities exchange, as may be prescribed from time to time in the rules and regulations of the Commission;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor with the conditions and covenants of this Indenture as may be required from time to time by rules and regulations prescribed from time to time by the Commission; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE,
CONVEYANCE, TRANSFER OR LEASE

SECTION 801. The Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease, or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(1) (A) the Company shall be the continuing corporation in the case of a merger or (B) the resulting, surviving, or transferee entity (each such Person, or the Company in the case of clause (A), a "Surviving Entity") shall be a corporation or partnership organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered by the Surviving Entity to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company pursuant hereto and pursuant to the Securities;

(2) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been satisfied.

SECTION 802. Successor Substituted for the Company.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any sale, lease or conveyance of all or substantially all of the assets of the Company in accordance with Section 801, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein and thereafter and all the obligations of the Company hereunder and under the Securities shall terminate.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holder, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or the Guarantor, as the case may be, and the assumption by any such successor of the obligations of the Company or the Guarantor, as the case may be, herein and in the Securities in accordance with Article Eight; or

(2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly, being included for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor; or

(3) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal; or

(4) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities provided that any such addition, change or elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding; or

(5) to provide for collateral for the Securities; or

(6) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this clause (4) shall not adversely affect the interests of the Holders in any material respect; or

(7) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(8) to make any change that does not adversely affect the rights of any Holder; and

(9) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301.

SECTION 902. Amendments, Supplemental Indentures and Waivers with Consent of Holders.

Subject to Section 508, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series effected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee may amend this Indenture or enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this

Indenture. Subject to Section 508, the Holder or Holders of a majority, in principal amount of the Outstanding Securities may waive compliance by the Company with any provision of this Indenture. Notwithstanding any of the above, however, no such amendment, supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(3) modify any of the provisions of the waiver provisions, except to increase any required percentage, or

(4) make any changes in Section 508, 513 or this third sentence of Section 9.02.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, supplemental indenture or waiver, but it shall be sufficient if such Act shall approve the substance thereof.

After an amendment, supplemental indenture or waiver under this Section becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplemental indenture or waiver. Any failure of the Company to mail such notice, or defect therein, shall not, however, in any way impair or affect the validity of such amendment, supplemental indenture or waiver.

SECTION 903. Execution of Amendment or Supplemental Indentures.

In executing, or accepting the additional trusts created by, any amendment or supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel of the Company or the Guarantor, stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Amendment or Supplemental Indentures.

Upon the execution of any amendment or supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (3) of Section 902, in which case, the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

SECTION 905. Conformity with Trust Indenture Act.

Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements applicable to indentures qualified under the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Amendments or Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such amendment or supplemental indenture may be prepared and executed by the Company and the Guarantor, and authenticated and made available for delivery by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company will duly and punctually pay the principal of, premium, if any, and interest on, the Securities and the Redemption Price as and when due, in accordance with the terms of the Securities and this Indenture, subject, in each case, to the provisions of Section 1109.

The Company shall pay interest on overdue amounts at the rate set forth on the face of the Securities, and it shall pay interest on overdue interest at the same rate compounded semiannually (to the extent that the payment of such interest shall be legally enforceable), which interest on overdue interest shall accrue from the date such amounts became overdue.

SECTION 1002. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, on or before each due date of the principal of, premium, if any, or interest on, any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents with respect to any series of Securities, it shall, prior to each due date of the principal of, premium, if any, or interest on, any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(1) hold all sums held by it for the payment of the principal of, premium, if any, or interest on, Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest in respect of any Security of a series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company in trust for the payment of the principal of, premium, if any, or interest on, any Security and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Company, cause to be published once, in a newspaper customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

SECTION 1004. Statements of Officers of the Company and the Guarantor as to Default; Notice of Default.

(a) The Company and the Guarantor shall each deliver to the Trustee, within 120 days after the end of each fiscal year of the Company and the Guarantor, as the case may be, a certificate, signed by the principal executive officer, principal financial officer, or principal accounting officer, stating that such officer has conducted or supervised a review of the activities of the Company or the Guarantor, as the case may be, and its Subsidiaries and of performance under this Indenture and whether or not to the best knowledge of the signers thereof the Company or the Guarantor, as the case may be, has fulfilled all of its obligations under this Indenture or is in default (without regard to periods of grace or requirements of notice) in the performance and observance of any of the terms, provisions and conditions hereof, and if the Company or the

Guarantor, as the case may be, shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

(b) The Company or the Guarantor, as the case may be, shall file with the Trustee written notice of the occurrence of any default or Event of Default or event or condition which with notice or the lapse of time or both would become an Event of Default within five Business Days of its becoming aware of any such default, Event of Default or event or condition.

SECTION 1005. Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 1006. Maintenance of Properties.

The Company shall cause all material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 1006 shall prevent the Company from discontinuing the operation or maintenance of any of such properties or disposing of any of them if such discontinuance or disposal is, in the judgment of the Company desirable in the conduct of its business or the business of any Subsidiary.

SECTION 1007. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or

any Subsidiary, in each case, material to the Company and its Subsidiaries, taken as a whole; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which disputed amounts adequate reserves have been made.

SECTION 1008. Limitation on Layering Debt.

Neither the Company nor the Guarantor may create, incur, assume or suffer to exist any Debt that is subordinate in right of payment to any other Debt of the Company or the Guarantor, as applicable, unless, by its terms or the terms of the instrument creating or evidencing it, such Debt is subordinate in right of payment to, or ranks pari passu with, the Securities or, in the case of Guarantor, the Guarantee.

SECTION 1009. Limitation on Status as Investment Company.

Neither the Company nor any of its Subsidiaries may become an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), to the extent any are subject to regulation under the Investment Company Act of 1940, as amended, except for Subsidiaries established for the purpose of financing the other operating businesses of the Company or its Subsidiaries.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Right of Redemption.

The Securities may be redeemed at the election of the Company as specified in the form of Security or as specified in Section 1109.

SECTION 1102. Applicability of Article.

Redemption of any series of Securities at the election of the Company, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

SECTION 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Board Resolution of the Company. In case of any redemption at the election of the Company of less than all the Securities of a series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

SECTION 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of a series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than \$1,000.

The Trustee shall promptly notify the Company and each Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1105. Notice of Redemption.

Notice of Redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed, and that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities equal to the unredeemed portions thereof will be issued,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date,

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and

(6) the CUSIP number of the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1106. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date, subject to the provisions of Section 1109.

SECTION 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, subject to the provisions of Section 1109, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued and unpaid interest) such Securities shall cease to bear interest. Upon surrender of any such Security

for redemption in accordance with said notice, such Security shall be paid for by the Company at the Redemption Price, together with accrued and unpaid interest to the Redemption Date subject to the provisions of Section 1109; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

SECTION 1108. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 1109. Redemption to Comply with Gaming Laws.

Notwithstanding the other provisions of this Indenture, if a Holder or beneficial owner of a Security is required to qualify under the Gaming Laws and does not so qualify, the Holder will be obliged, at the request of the Company, to dispose of such Holder's Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authority (in which event the Company's obligation to pay any interest after the receipt of such notice shall be limited as provided in such Gaming Laws), and, thereafter, the Company shall have the right to redeem, on the date fixed by the Company for redemption of such Securities, such Holder's Securities at a redemption price equal to 100% of the principal amount without accrued interest thereon from such date as required by such Gaming Laws. If the Company elects to redeem Securities pursuant to this paragraph, the notice required by Sections

1103 and 1105 shall be deemed properly given, if mailed by the Company at any time prior to such redemption date fixed by the Company.

ARTICLE TWELVE

GUARANTEE

SECTION 1201. Guarantee.

(a) Subject to subsection (b), below, and subject to the provisions of Section 1109, the Guarantor hereby irrevocably and unconditionally guarantees (such guarantee being the "Guarantee") to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture and the Securities hereunder, that: (i) the principal of, premium, if any, and interest on the Securities promptly will be paid in full when due, whether at the maturity or Interest Payment Date, by acceleration, call for redemption or otherwise, and interest on the overdue principal, premium, if any, and interest, if any, of the Securities, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof, and (ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due by the Company of any amount so guaranteed for whatever reason, the Guarantor shall be obligated to pay the same immediately. The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities and this Indenture. If any Holder or the Trustee is required by any court or otherwise to return to the Company or any custodian, Trustee, liquidator or other similar official acting in relation

to the Company, any amount paid by the Company to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations is guaranteed hereby.

(b) It is the intention of the Guarantor and the Company that the obligations of the Guarantor hereunder shall be, but not in excess of, the maximum amount permitted by applicable law. Accordingly, if the obligations in respect of the Guarantee would be annulled, avoided or subordinated to the creditors of the Guarantor by a court of competent jurisdiction in a proceeding actually pending before such court as a result of a determination both that such Guarantee was made without fair consideration and, immediately after giving effect thereto, the Guarantor was insolvent or unable to pay its debts as they mature or left with an unreasonably small capital, then the obligations of the Guarantor under the Guarantee shall be reduced by such court if such reduction would result in the avoidance of such annulment, avoidance or subordination; provided, however, that any reduction pursuant to this paragraph shall be made in the smallest amount as is strictly necessary to reach such result. For purposes of this paragraph, "fair consideration," "insolvency," "unable to pay its debts as they mature," "unreasonably small capital" and the effective times of reductions, if any, required by this paragraph shall be determined in accordance with applicable law.

(c) The Guarantor shall be subrogated to all rights of the Holders against the Company in respect of any amounts paid by Guarantor pursuant to the provisions of the Guarantee or this Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, premium, if any, and interest on all Securities issued hereunder shall have been paid in full.

SECTION 1202. Execution and Delivery of Guarantee.

To evidence the Guarantee set forth in Section 1201, the Company and the Guarantor hereby agree that a notation of such Guarantee shall be endorsed on each Security authenticated and delivered by the Trustee, that such notation of such Guarantee shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and that this Indenture shall be executed on behalf

of the Guarantor by its Chairman of the Board, one of its Vice Chairmen of the Board, its President or one of its Vice Presidents under a facsimile of its seal reproduced thereon and attested to by another officer other than the officer executing the Indenture, as the case may be.

The Guarantor hereby agrees that the Guarantee set forth in Section 1201 shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of the Guarantee.

If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Security on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantor.

SECTION 1203. Release of Guarantor.

The Guarantor shall be released from all of its obligations under the Guarantee and under this Indenture if:

- (a) (i) the Company or the Guarantor has transferred all or substantially all of its properties and assets to any Person (whether by sale, merger or consolidation or otherwise), or has merged into or consolidated with another Person, pursuant to a transaction in compliance with this Indenture;

- (ii) the corporation to whom all or substantially all of the properties and assets of the Company or the Guarantor are transferred, or whom the Company or the Guarantor has merged into or consolidated with, has expressly assumed, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantees and this Indenture;

- (iii) immediately before and immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of

time or both, would become an Event of Default, shall have occurred and be continuing; and

(iv) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(b) the Guarantor liquidates (other than pursuant to any Bankruptcy Law) and complies, if applicable, with the provisions of this Indenture; provided that if a Person and its Affiliates, if any, shall acquire all or substantially all of the assets of the Guarantor upon such liquidation the Guarantor shall liquidate only if:

(i) the Person and each such Affiliate (or the common corporate parent of such Person and its Affiliates, if such Person and its Affiliates are wholly owned by such parent) which acquire or will acquire all or a portion of the assets of the Guarantor shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor, under the Guarantees and this Indenture and such Person or any of such Affiliates (or such parent) shall be a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iii) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such liquidation and such supplemental indenture comply with this Section 1203 and that all

conditions precedent herein provided for relating to such transaction have been complied with; or

(c) the Company ceases for any reason to be a "wholly owned subsidiary" of the Guarantor (as such term is defined in Rule 1-02(z) of the Regulation S-X promulgated by the Commission).

Upon any assumption of the Guarantee by any Person pursuant to this Section, such Person may exercise every right and power of the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the Guarantor, hereunder and under the Guarantees and the Indenture shall terminate.

SECTION 1204. When Guarantor May Merge, etc.

The Guarantor shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(a) either the Guarantor shall be the continuing person, or the Person (if other than the Guarantor) formed by such consolidation or into which the Guarantor is merged or to which the assets of the Guarantor are transferred shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantee and this Indenture;

(b) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and such supplemental indenture comply with this Section and that

all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any sale, conveyance or lease of all or substantially all of the assets of the Guarantor, in accordance with this Section, the successor corporation formed by such consolidation or into which the Guarantor is merged or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the predecessor Guarantor hereunder and under the Guarantee and the Indenture shall terminate.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Attest:

[Seal] By: _____
Name:
Title:

HARRAH'S ENTERTAINMENT, INC.

[Seal] By: _____
Name:
Title:

By: _____
Name:
Title:

NATIONSBANK OF TENNESSEE, N.A.

[Seal] By: _____
Name:
Title:

By: _____
Name:
Title:

HARRAH'S OPERATING COMPANY, INC.,
 Issuer

HARRAH'S ENTERTAINMENT, INC.,
 Guarantor

and

NATIONSBANK OF
 TENNESSEE, N.A.,
 Trustee

Indenture

Dated as of _____, _____

\$ _____

_____ % Senior Subordinated Notes Due _____

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HARRAH'S OPERATING COMPANY, INC.
 Certain Sections of this Indenture relating to
 Sections 310 through 318 of the
 Trust Indenture Act of 1939:

Trust Indenture Act Section -----	Indenture Section -----
310(a)(1)	608
(a)(2)	608
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
311(a)	609
(b)	612
312(a)	701
(a)	702
(b)	702(b)
(c)	702(c)
313(a)	703(a)
(a)(4)	703(a)
(b)	703(a)
(c)	703(a), (b) and (c)
(d)	703(c)
314(a)	704
(b)	Not Applicable
(c)(1)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	102
315(a)	601(a)
(b)	602
(c)	601(b)
(d)	601(c)
(e)	514
316(a)	101
(a)(1)(A)	502, 512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(e)
317(a)(1)	503
(a)(2)	504
(b)	103
318(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE, dated as of _____, 199__, among Harrah's Operating Company, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, Harrah's Entertainment, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, and NationsBank of Tennessee, having its principal corporate trust office at _____, as Trustee (herein called the "Trustee").

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Senior Subordinated Notes to be issued in one or more series (the "Securities"), as herein provided, up to such principal amount as may from time to time be authorized in or pursuant to one or more resolutions of the Board of Directors or by supplemental indenture.

The Guarantor has duly authorized its guarantee (the "Guarantee") of all of the Company's obligations under the Securities, and to provide therefor the Guarantor has duly authorized the execution and delivery of this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture and any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(4) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Five, are defined in that Article.

"Acceleration Notice" has the meaning specified in Section 502.

"Act," when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to

direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Associate" has the meaning ascribed thereto under Rule 12b-2 under the Exchange Act.

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Bankruptcy Law" means Title 11, United States Code or any similar Federal or state law for the relief of debtors.

"Board of Directors" means the board of directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the Borough of Manhattan, the City of New York, are authorized or obligated by law or executive order to close.

"Capital Stock" means, with respect to any Person, any capital stock of such Person and shares, interests, participations or other ownership interests (however designated), of any Person and any rights (other than debt securities convertible into corporate stock), warrants or options to purchase any thereof, other than (except with respect to the definition of "Redeemable Stock"), in all such cases, Redeemable Stock.

"Capitalized Lease Obligation" means, with respect to any Person for any period, any obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP and the amount of such obligation shall be the capitalized amount thereof determined in accordance with such principles.

"Cash Equivalents" means (i) obligations of the United States of America or any agency thereof, or obligations fully guaranteed by the United States of America or any agency thereof, provided, that such obligations mature within one year of the date of acquisition thereof, (ii) commercial paper rated the highest grade by a national credit rating agency and maturing not more than one year from the date of creation thereof, (iii) time deposits with, and certificates of deposit and banker's acceptances issued by, any bank having capital surplus and undivided profits aggregating at least \$500 million and (iv) repurchase agreements that are secured by a perfected security interest in an obligation described in clause (i) and are with any bank described in clause (iii).

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company or the Guarantor, as the case may be, by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in The City of New York, at which at any particular time its corporate trust business shall be administered, which, as of the date of this Indenture, is located at _____.

"Credit Agreement" means collectively the Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, and the Credit Agreement, dated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, The Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and The Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, together with all notes, collateral and security documents, guarantees and other documents delivered in connection therewith, as such agreements may hereafter be amended (including any amendments and restatements thereof), supplemented, replaced, or otherwise modified from time to time.

"Debt" of any Person means, at any date, all obligations, contingent or otherwise, (i) of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) of such Person evidenced by bonds, debentures, notes or other similar instruments, if and to the extent any of the foregoing described in clauses (i) and (ii) would appear as a liability on the balance sheet of such Person, (iii) of such Person in respect of bankers acceptances, letters of credit or other similar instruments (or reimbursement obligations with respect thereto), (iv) of such Person under Capitalized Lease Obligations, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all Debt of others guaranteed by such Person (but only to the extent of such guarantees), (vii) to the extent not otherwise included, obligations of such Person under currency agreements and Interest Rate Agreements, (viii) the liquidation preference and any mandatory redemption

payment obligations (without duplication) of such Person's Subsidiaries in respect of preferred stock issued by any such Subsidiary and (ix) in the case of such Person, the liquidation preference and any mandatory redemption payment obligations (without duplication) in respect of Redeemable Stock. In addition, "Debt" of any Person shall include Debt described in the foregoing clauses (i) and (ii) that would not appear as a liability on the balance sheet of such Person if (1) such Debt is the obligation of a partnership or joint venture that is not a Subsidiary of such Person (the "Joint Venture"), (2) such Person or a Subsidiary of such Person is a general partner of the Joint Venture (the "General Partner"), and (3) there is recourse, by contract or operation of law, with respect to payment of such obligations to property or assets of such Person or a Subsidiary of such Person; then such Debt shall be included in an amount not to exceed the greater of (A) the net assets of the General Partner, and (B) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Subsidiary of such Person (other than the General Partner). In the case of Debt of others secured by a Lien to which the assets owned or held by such Person is subject, the amount of the Debt of such Person at any date shall be the lesser of the fair market value at such date of determination of any asset subject to a Lien securing the Debt of others and the amount of the Debt secured.

"Defaulted Interest" has the meaning specified in Section 307.

"Designated Senior Debt" means Debt, including any obligation for interest which would accrue but for any proceeding referred to in Section 1302, of the Company in respect of the Credit Agreement, as amended from time to time, or, after all Debt of the Company in respect of the Credit Agreement, as amended from time to time, has been paid in full, Debt that otherwise would constitute Senior Debt in respect of any refinancing or replacement thereof or, if there is no such refinancing or replacement thereof, or after all Debt of the Company in respect of any such refinancing or replacement has been paid in full, "Designated Senior Debt" shall mean any class of Senior Debt the aggregate principal amount outstanding of which exceeds \$100,000,000.

"Designated Senior Debt of the Guarantor" means Debt, including any obligation for interest which would accrue but for any proceeding referred to in Section 1402, of the Guarantor in respect of the Credit Agreement, as amended from time to time, or after all Debt of the Guarantor in respect of the Credit Agreement, as amended from time to time, has been paid in full, Debt that would otherwise constitute Guarantor Senior Debt in respect of any refinancing or replacement thereof or, if there is no such refinancing or replacement thereof, or after all such Debt of the Guarantor in respect of any such refinancing or

replacement has been paid in full, "Designated Senior Debt of the Guarantor" shall mean any class of Guarantor Senior Debt the aggregate principal amount outstanding of which exceeds \$100,000,000.

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles as in effect in the United States on the date of this Indenture.

"Gaming Authority" means the Nevada Gaming Commission, the Nevada Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement or any similar commission or agency which has, or may at any time after the date of this Indenture have, jurisdiction over the gaming activities of the Company or the Guarantor or a Subsidiary of the Company or the Guarantor or any successor thereto.

"Gaming Laws" means the gaming laws of a jurisdiction or jurisdictions to which the Company, the Guarantor or a Subsidiary of any of them is, or may at any time after the date of this Indenture be, subject.

"Group" means a group as that term is used in Sections 13(d) and 14(d) of the Exchange Act.

"Guarantee" shall have the meaning set forth in Section 1201 hereof.

"Guarantor" means the person named as the "Guarantor" in the first paragraph of this instrument until a successor Person replaces it pursuant to the terms hereof and thereafter means such successor and any other Person which, pursuant to the terms hereof, shall guarantee any of the obligations of the Securities.

"Guarantor Senior Debt" means (i) Designated Senior Debt of the Guarantor and (ii) all other Debt of the Guarantor (other than as to each Guarantee the other Guarantees), except (v) Redeemable Stock, (w) any obligation of the Guarantor to any Subsidiary, (x) any Debt that, by its terms or the terms of the instrument creating or evidencing such Debt, is pari passu with, or is expressly subordinate in right of payment, to the Guarantee, (y) any obligation to trade creditors and (z) the Guarantor's guarantees of the Company's 10 7/8%

Senior Subordinated Notes due 2002, 8 3/4% Senior Subordinated Notes Due 2000, 11% Subordinated Notes due 1999, and the 8-3/8% Notes due 1996.

"Holder" means a Person in whose name a Security is registered in the Security Register and, when used with respect to any Security or Securities, means the Person or Persons in whose name such Security is, or Securities are, registered in the Security Register.

"Incur" means, directly or indirectly, to create, incur, assume, guarantee or otherwise become liable for; "Incurrence" has a correlative meaning.

"Indenture" means this instrument as originally executed or, if amended or supplemented as provided herein, as so supplemented or amended.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities.

"Interest Rate Agreement" means any obligation of any Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount; provided, that the term "Interest Rate Agreement" shall also include any obligations of such Person under interest rate exchange, collar, cap, swap option or similar agreements providing interest rate protection.

"Lien" means any mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property, or a security interest of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or similar statutes) of any jurisdiction).

"Maturity Date," when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption on a Redemption Date or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of legal counsel, who may be an employee of or counsel for the Company or the Guarantor, as the case may be, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; provided,

further, that if for any reason such Securities are not redeemed on the Redemption Date, such Securities will be deemed Outstanding; and

(iii) Securities which have been replaced or paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

"Paying Agent" means any Person authorized by the Company pursuant to this Indenture to pay the principal of, premium (if any) or interest on, any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, joint venture, trust, association, joint-stock company, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redeemable Stock" means any series or class of Capital Stock of the Company which is or may be required to be redeemed, in whole or in part, or may be put to the Company or any of its Subsidiaries, in whole or in part, at the option of the Holder thereof, on or prior to the maturity of the Securities, or is or may be, mandatorily or at the option of the holder thereof, convertible or exchangeable into or exercisable for such Capital Stock of the Company on or prior to the maturity of the Securities; provided, however, that such Capital Stock will not be Redeemable Stock if it is redeemable prior to the maturity of the Securities only if: (A) the holder or a beneficial owner of such equity security is required to qualify under the gaming laws of any jurisdiction to which such Person or any Subsidiary is subject and does not so qualify, or (B) the board of directors of such Person determines in its good faith judgment that as a result of a holder or beneficial owner owning such equity securities, such Person or a Subsidiary of such Person has lost or may lose any license or franchise or any right or approval granted thereunder from any governmental agency held by such Person or any Subsidiary of such Person necessary to conduct any portion of the business of such Person or any Subsidiary of such Person, which if lost or not reinstated, as the case may be, would have a material adverse effect on the business of such Person or its Subsidiary or would restrict the ability of such Person or its Subsidiary to conduct business in any gaming jurisdiction.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture, including as applicable without duplication, any accrued and unpaid interest due upon such redemption pursuant to the terms of this Indenture.

"Regular Record Date" for the interest payable on any interest payment date on the Securities of any series shall mean the date, if any, specified for that purpose as contemplated by Section 201 of this Indenture.

"Responsible Officer," when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman

of the trust committee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning specified in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Debt" means (i) Designated Senior Debt and (ii) all other Debt of the Company (other than as to each Security the other Securities), except (u) Redeemable Stock, (v) any obligation of the Company to any Subsidiary, (w) any Debt that, by its terms or the terms of the instrument creating or evidencing such Debt, is pari passu with, or expressly subordinate in right of payment, to the Securities, (x) any obligation to trade creditors, (y) the Company's 10 7/8% Senior Subordinated Notes due 2002, 8 3/4% Senior Subordinated Notes due 2000, 11% Subordinated Notes due 1999, and the 8-3/8% Notes due 1996 and (z) any Debt specified in an indenture supplemental hereto or an Officers' Certificate as being excepted from this definition of Senior Debt.

"Significant Subsidiary" means a Subsidiary of any Person which would be a "significant subsidiary" as defined in Reg. Sec. 230.405 promulgated pursuant to the Securities Act as in effect on the date of the initial issuance of the Securities assuming that such Person is the "registrant" referred to in such definition; provided, that the Subsidiary owning the Harrah's Laughlin Casino will be deemed to be a "Significant Subsidiary" notwithstanding the foregoing.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"Subsidiary" with respect to any Person, means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person or (ii) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least majority ownership interest.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have assumed all of the duties and obligations of this Indenture pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. Government Obligations" means U.S. Legal Tender or direct non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"U.S. Legal Tender" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions

precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor, as the case may be, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any certificate or opinion of Counsel may be based, insofar as it relates to factual matters,

upon certificates of public officials or upon certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company or the Guarantor, as the case may be. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section 104.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of any Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to sign any instrument evidencing or embodying an Act of Holders. If a record date is fixed, those Persons who were Holders at such record date (or their duly appointed agents), and only those Persons, shall be entitled to sign any such instrument evidencing or embodying an Act of Holders or to revoke any such instrument previously signed, whether or not such Persons continue to be Holders after such record date.

SECTION 105. Notices, Etc., to Trustee, the Company and the Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration,

(2) the Company by the Trustee, by the Guarantor or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company, or

(3) the Guarantor by the Trustee, by any Holder or by the Company shall be sufficient for every purpose hereunder (unless

otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Guarantor, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Guarantor.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed on qualified indentures by any of Sections 310 through 317, inclusive, of the Trust Indenture Act, through the operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company or the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing contained in this Indenture or in the Securities, expressly or impliedly, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent, the holders of Senior Debt of the Company or Guarantor Senior Debt and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of principal of, or premium (if any) or interest on, the Securities need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Maturity Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity, as the case may be, if such payment is made or duly provided for on the next succeeding Business Day.

SECTION 114. Incorporators, Stockholders, Officers and Directors of the Company or the Guarantor Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture or any indenture supplemental hereto or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or of any successor corporation to either of them, either directly or through the Company, the Guarantor or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or of any such successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issue of such Securities.

SECTION 115. Duplicate Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures

supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or depository therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

_____ As Trustee

By _____ Authorized Signatory

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1108 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denomination of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(10) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity Date thereof pursuant to Section 502;

(14) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity Date other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 401, and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;

(17) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(18) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(4), but which may modify or delete any provision of this Indenture with respect to such series, provided that no such term may modify or delete any provision hereof if imposed by the Trust Indenture Act, and provided, further that any modification or deletion of the rights, duties or immunities of the Trustee hereunder shall have been consented to in writing by the Trustee).

If any of the foregoing terms are not available at the time such Board Resolution is adopted, or such Officers' Certificate or any supplemental indenture is executed, such resolutions, Officers' Certificate or supplemental

indenture may reference the document or documents to be created in which such terms will be set forth prior to the issuance of such Securities.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company and the Guarantee shall be executed on behalf of the Guarantor by the Chairman of the Board, the President or one of the Vice Presidents of each of them, under the corporate seal of the Company or the Guarantor, as the case may be, reproduced thereon, and attested by the Secretary or one of the Assistant Secretaries of each of them. The signature of any of these officers on the Securities or Guarantees may be manual or facsimile.

Securities or Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company or the Guarantor shall bind the Company or the Guarantor, as the case may be, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities and Guarantees executed by the Company and the Guarantor to the Trustee for authentication, together with a

Company Order for the authentication, and make available for delivery such Securities, and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

The Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities and Guarantees, the Company and the Guarantor may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities and Guarantees which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities and Guarantees in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations

as the officers executing such Securities and Guarantees may determine, as conclusively evidenced by their execution of such Securities and Guarantees.

If temporary Securities and Guarantees are issued, the Company will cause definitive Securities and Guarantees to be prepared without unreasonable delay. After the preparation of definitive Securities and Guarantees, the temporary Securities and Guarantees shall be exchangeable for definitive Securities and Guarantees upon surrender of the temporary Securities and Guarantees at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities and Guarantees, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, a like principal amount of definitive Securities and Guarantees of authorized denominations. Until so exchanged the temporary Securities and Guarantees shall in all respects be entitled to the same benefits under this Indenture as definitive Securities and Guarantees endorsed thereon.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency, and upon payment, if the Company shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Company and the Guarantor shall execute, and the Trustee shall

authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 1108 or 1502 not involving any transfer.

The Company shall not be required to (i) issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (ii) register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portions of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company and the Guarantor shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a new Security, of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company and the Guarantor shall execute, and upon their request the Trustee shall authenticate and make

available for delivery, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Interest on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, subject to the provisions of Section 1109.

Any interest on any Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date notwithstanding the fact that such Holder was a Holder on such Regular Record Date, and such Defaulted Interest may be paid by the Company, at its election, as provided in Clause (1) or (2) below:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of

business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 5 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may then be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause (2), such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not any payment due in respect of such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned promptly to the Company.

SECTION 310. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use the applicable "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction, Discharge of the Indenture and Defeasance of the Securities.

The Company shall be deemed to have paid and discharged the entire indebtedness on the Securities of any series, and the provisions of this Indenture with respect to such Securities shall cease to be of further effect (subject to Section 403), if:

(1) The Company irrevocably deposits in trust with the Trustee for the benefit of the Holders, pursuant to an irrevocable trust and security agreement in form and substance reasonably satisfactory to the Trustee, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Securities, money in an amount, or (iii) a combination thereof, after payment of all Federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof (in form and substance reasonably satisfactory to the Trustee) delivered to the Trustee, to pay the principal of, premium, if any, and each installment of principal, premium and interest on such Securities then outstanding at the Maturity Date, or Redemption Date, as the case may be, of such principal, premium, if any, or installment of principal, premium or interest in accordance with the terms of the Indenture, of any Officers' Certificate with respect to such Securities and of such Securities;

(2) Such deposits shall not cause the Trustee to have a conflicting interest as defined in and for purposes of the Trust Indenture Act;

(3) Such deposit will not result in a default under this Indenture;

(4) The deposit, defeasance and discharge will not be deemed, or result in, a Federal income taxable event to the Holders of such Securities and such Holders will be subject to Federal income tax in the same amounts and in the same manner and at the same times as

would have been the case if such deposit and defeasance had not occurred;

(5) The deposit shall not result in the Company's being subject to regulation pursuant to the provisions of the Investment Company Act of 1940;

(6) After the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to Bankruptcy Laws insofar as those laws apply to the Company) following the deposit of the trust funds, such funds will not be subject to any Bankruptcy Laws affecting creditors' rights generally;

(7) Holders of such Securities will have a valid, perfected and unavoidable (under applicable Bankruptcy Laws), subject to the passage of time referred to in clause (6), first-priority security interest in the trust funds; and

(8) The Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified in this Section 401 relating to the defeasance contemplated by this Section 401 have been complied with.

In the event all or any portion of the Securities of a series are to be redeemed through such irrevocable trust, the Company must make arrangements satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

This Indenture will not be discharged if an Event of Default, or an event or condition which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of the deposit of such trust funds with the Trustee or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

In the event that the Company takes the necessary action to comply with the provisions described in this Section 401 and the Securities are declared due and payable because of the occurrence of an Event of Default, the Company will

remain liable for all amounts due on the Securities at the time of acceleration resulting from such Event of Default in excess of the amount of money and U.S. Government Obligations deposited with the Trustee pursuant to this Section 401 at the time of such acceleration.

SECTION 402. Termination of Obligations upon Cancellation of the Securities.

In addition to the Company's rights under Section 401, the Company may terminate all of its and the Guarantor's respective obligations under the Securities of any series and this Indenture with respect to that series (subject to Section 403) when:

(1) (A) all Securities of that series theretofore authenticated and delivered (other than Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306) have been delivered to the Trustee for cancellation; or (B) all such Securities of that series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee funds, in accordance with provisions of Section 401, in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities of that series not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Securities of that series which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified herein and in Section 401 relating to the satisfaction and discharge of this Indenture with respect to that series have been complied with.

SECTION 403. Survival of Certain Obligations.

Notwithstanding the satisfaction and discharge of this Indenture and of the Securities referred to in Section 401 or 402, the respective obligations of the Company, the Guarantor and the Trustee under Sections 303, 305, 306, 307, 405, 406, 407, 607, 609, 610, 701, 1001, 1002, 1003, 1101, 1201, 1202 and 1203 with respect to that series shall survive until the Securities of that series are no longer Outstanding (provided, that compliance with the requirements of Section 402 shall be deemed to render the Securities no longer to be Outstanding for purposes of this Section 403), and thereafter the obligations of the Company, the Guarantor and the Trustee under Sections 305, 405, 406, 407, 607 and 1101 shall survive.

SECTION 404. Acknowledgement of Discharge by Trustee.

After (i) the conditions of Sections 401 or 402 have been satisfied with respect to a series of Securities, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in Sections 401 or 402, as applicable, relating to the satisfaction and discharge of this Indenture with respect to such series have been complied with, the Trustee upon request from, and at the expense of, the Company shall acknowledge in writing the discharge of the Company's obligations under this Indenture with respect to such series except for those surviving obligations specified in Section 403.

SECTION 405. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Sections 401 or 402 shall be held in trust and applied by it, in accordance with the provisions of the Securities, any Officers' Certificate with respect to such Securities and this Indenture, to the payment to the Persons, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may

determine, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee.

SECTION 406. Repayment to the Company.

Upon termination of the trust established pursuant to Sections 401 or 402, the Trustee and the Paying Agent shall promptly pay to the Company upon request any excess money or U.S. Government Obligations held by them.

SECTION 407. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Sections 401 or 402 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Sections 401 or 402 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Sections 401 or 402; provided, however, that if the Company or the Guarantor has made any payment of principal of, premium, if any, or interest on any Securities because of the reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article Thirteen or Article Fourteen or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any installments of interest upon any Security of that series as and when the same becomes

due and payable, and continuance of such default for a period of 30 days, whether or not such payment is prohibited by Article Thirteen or Article Fourteen; or

(2) default in the payment of all or any part of the principal or premium, if any, on the Securities of that series when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise, and whether or not such payment is prohibited by Article Thirteen or Article Fourteen; or

(3) default in the observance or performance of any covenant, or agreement of the Company or the Guarantor contained in the Securities or in this Indenture (other than a default in the performance of any covenant or agreement which is specifically dealt with elsewhere in this Section 501 or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default for a period of 60 days after there has been given, by registered or certified mail, to the Company or the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by Holders of at least 40% in aggregate principal amount of the Outstanding Securities, a written notice specifying such default, requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a default which extends beyond any period of grace applicable thereto under any mortgage, indenture or instrument under which there is outstanding certain Debt of the Company or any of its Subsidiaries or failure to pay such Debt at its Stated Maturity, which default shall have resulted in such Debt becoming or being declared due and payable prior to the date it otherwise would have become due and payable; provided, however, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of the Company or any of its Subsidiaries if such default under such mortgage, indenture or instrument shall be remedied or cured by the Company or any of its Subsidiaries, as the case may be, within 10 days of such default and the acceleration of amounts due thereunder shall, as a result of such remedy or cure, be of no further effect; or

(5) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Company or any

of its Significant Subsidiaries under any Bankruptcy Law or similar statute, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company, any of its Significant Subsidiaries, or of the property of any such Person, or for the winding up or liquidation of the affairs of any such Person, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 60 days; or

(6) the Company or any of its Significant Subsidiaries shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under any Bankruptcy Law or similar statute, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or any of its property or shall make an assignment for the benefit of creditors; or

(7) certain final judgments for the payment of money, which payments are not covered by insurance policies relieving the Company, and any of the Company's Subsidiaries from liability for such final judgments, shall be rendered against the Company or any of its Subsidiaries by a court of competent jurisdiction and shall remain undischarged for a period (during which execution shall not be effectively stayed) of 60 days after such judgment becomes final and nonappealable (or, in the case of any such final judgment which provides for payment over time, which shall so remain undischarged beyond any applicable payment date provided therein).

SECTION 502. Acceleration of Maturity Date; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Section 501(5) or (6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then, and in every such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of that series, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all of the principal of the Securities of that series, determined as set forth below, together with accrued interest thereon, to be due

and payable (i) immediately if no Designated Senior Debt is outstanding or (ii) if Designated Senior Debt is outstanding, upon the earlier of (a) 10 days after such Acceleration Notice is received by the Company or (b) the acceleration of such Designated Senior Debt. If an Event of Default specified in Section 501(5) or (6) with respect to Securities of any series at the time Outstanding occurs, all principal of, and accrued interest on, the Securities of that series shall be immediately due and payable on all Outstanding Securities of that series without any declaration or other act on the part of the Trustee or the Holders.

At any time after such a declaration of acceleration with respect to Securities of any series being made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article Five provided, the Holders of a majority in aggregate principal amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which would become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by such Securities,

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513, including, if applicable, any default in the covenants contained in Section 1501.

Notwithstanding the previous sentence of this Section 502, no rescission shall be effective for any acceleration with respect to Securities of any series resulting from an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Security of that series, unless all such affected Holders agree, in writing, to rescind such acceleration. No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity Date thereof, including the payment of the Redemption Price on any Redemption Date,

the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal, premium (if any) and interest, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate borne by such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and

enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities or the property of the Company, the Guarantor, or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise to take any and all actions authorized under the Trust Indenture Act, including

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities

or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Subject to Article Thirteen, any money collected by the Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium (if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- FIRST: To the payment of all amounts due the Trustee under Section 607;
- SECOND: To the payment of the amounts then due and unpaid for principal of, and premium (if any) and interest on, the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium (if any) and interest, respectively; and
- THIRD: To the payment of the remainder, if any, to whomsoever may be lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to, or to request, order or direct the Trustee to, institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Defaults in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred or reasonably probable to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture but subject to the provisions of Section 1109, Article Thirteen and Article Fourteen, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of, and premium (if any) and (subject to Section 307) interest on, such Security on the respective Stated Maturities of such payments as expressed in such Security (and in the case of redemption, the Redemption Price on the applicable Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this

Article Five or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of Securities of such series not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Default.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of any series may, on behalf of the Holders of all the Securities of such series, waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of, premium, if any, or interest on, any Security of such series as specified in clauses (1) and (2) of Section 501, or

(2) in respect of a covenant or provision hereof which, under Article Nine, cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for

every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 25% in aggregate principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for enforcement of the payment of principal of, or premium (if any) or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which, by any provision hereof, is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

Within 90 days after a default hereunder with respect to the Securities of any series occurs and is continuing, and if it is known to the Trustee, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, or premium (if any), or interest on, any Security at its Maturity Date, Redemption Date or otherwise, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(3) with respect to Securities of such Series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction or any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to

examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and believed, upon the written advice of counsel of its reasonable selection, by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Section 612, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company and the Guarantor agree

(1) to pay to the Trustee from time to time such reasonable compensation as the Company and the Trustee shall from time to time agree upon in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its non-employee agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon or determined by the income of the Trustee), incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a claim prior to the Securities as to all property and funds properly held by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 607, except with respect to funds held in trust for the benefit of the Holders of particular Securities.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 608. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six. The Trustee shall comply with Trust Indenture Act Sec. 310(b).

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to Securities of one or more series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder, or

(2) the Trustee shall become incapable of acting or shall be judged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any Series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders with respect to the Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee of Securities of such series and the address of its Corporate Trust Office.

(g) If any of the Gaming Authorities requires a Trustee to be approved, licensed or qualified and the Trustee fails to do so, which approval, license or qualification shall be obtained upon the request of, and at the expense of, the Company, or, if the Trustee's relationship with the Company or the Guarantor may, in the Company's or the Guarantor's discretion, jeopardize any material gaming license or franchise or right or approval granted thereto, the Trustee shall resign, and, in addition, the Trustee may at its option resign if the Trustee in its sole discretion determines not to be so approved, licensed or qualified.

SECTION 610. Acceptance of Appointment by Successor.

Every successor Trustee with respect to all Securities appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges pursuant to Section 607, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and

confirm to, and to vest in, each successor Trustee the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add or change any of the provisions of this Indenture as shall be to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming each such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this

Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 612. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act Sec. 311(a), excluding any creditor relationship listed in Trust Indenture Act Sec. 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Sec. 311(a) to the extent indicated.

SECTION 613. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent.

The Company agrees to pay each Authenticating Agent, as appointed from time to time, such reasonable fees as may be agreed to in writing by the Company, for services rendered under this Section 613.

If an appointment is made pursuant to this Section 613, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

_____,
as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS
BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

Trustee The Company shall furnish or cause to be furnished to the

(a) semi-annually, not more than 15 days after each Regular Record Date for a series of Securities, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list in similar form and content as of a

date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided in the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of any of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) At the expense of the Company, the Trustee or, if the Trustee is not the Registrar, the Registrar, shall report the names of record holders of the Securities to any Gaming Authority when requested to do so by the Company.

At the express direction of the Company and at the Company's expense, the Trustee will provide the Gaming Authorities with:

(i) copies of all notices, reports and other written communications which the Trustee gives to Holders;

(ii) a list of all of the Holders promptly after the original issuance of the Securities and periodically thereafter if the Company so directs;

(iii) notice of any Default under this Indenture, any acceleration of the Debt evidenced hereby, the institution of any legal actions or proceedings before any court or governmental authority in respect of a default or Event of Default hereunder;

(iv) notice of the removal or resignation of the Trustee within five Business Days of the effectiveness thereof;

(v) notice of any transfer or assignment of rights under this Indenture or the Guarantee known to the Trustee within five Business Days thereof; and

(vi) a copy of any amendment to the Securities, the Guarantee or this Indenture within five Business Days of the effectiveness thereof.

To the extent requested by the Company and at the Company's expense, the Trustee shall cooperate with the Gaming Authorities in order to provide such Gaming Authorities with the information and documentation requested and as otherwise required by the Gaming Laws.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed, with the Commission and with the Company. The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange.

Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company or the Guarantor is required to file the same with the Commission, copies of the audited annual reports, unaudited quarterly reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if neither the Company nor the Guarantor is required to file information, documents or reports pursuant to either of said Sections, then the Company or the Guarantor shall file with the Trustee such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a company which has a security listed and registered on a national securities exchange, as may be prescribed from time to time in the rules and regulations of the Commission;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor with the conditions and covenants of this Indenture as may be required from time to time by rules and regulations prescribed from time to time by the Commission; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE,
CONVEYANCE, TRANSFER OR LEASE

SECTION 801. The Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease, or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(1) (A) the Company shall be the continuing corporation in the case of a merger or (B) the resulting, surviving, or transferee entity (each such Person, or the Company in the case of clause (A), a "Surviving Entity") shall be a corporation or partnership organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered by the Surviving Entity to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company pursuant hereto and pursuant to the Securities;

(2) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been satisfied.

SECTION 802. Successor Substituted for the Company.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any sale, lease or conveyance of all or substantially all of the assets of the Company in accordance with Section 801, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein and thereafter and all the obligations of the Company hereunder and under the Securities shall terminate.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holder, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or the Guarantor, as the case may be, and the assumption by any such successor of the obligations of the Company or the Guarantor, as the case may be, herein and in the Securities in accordance with Article Eight; or

(2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly, being included for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor; or

(3) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal; or

(4) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities provided that any such addition, change or elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding; or

(5) to provide for collateral for the Securities; or

(6) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this clause (4) shall not adversely affect the interests of the Holders in any material respect; or

(7) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(8) to make any change that does not adversely affect the rights of any Holder; and

(9) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301.

SECTION 902. Amendments, Supplemental Indentures and Waivers with Consent of Holders.

Subject to Section 508, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series effected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee may amend this Indenture or enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this

Indenture. Subject to Section 508, the Holder or Holders of a majority, in principal amount of the Outstanding Securities may waive compliance by the Company with any provision of this Indenture. Notwithstanding any of the above, however, no such amendment, supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(3) modify any of the provisions of the waiver provisions, except to increase any required percentage, or

(4) make any changes in Section 508, 513 or this third sentence of Section 9.02.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, supplemental indenture or waiver, but it shall be sufficient if such Act shall approve the substance thereof.

After an amendment, supplemental indenture or waiver under this Section becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplemental indenture or waiver. Any failure of the Company to mail such notice, or defect therein, shall not, however, in any way impair or affect the validity of such amendment, supplemental indenture or waiver.

SECTION 903. Execution of Amendment or Supplemental Indentures.

In executing, or accepting the additional trusts created by, any amendment or supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel of the Company or the Guarantor, stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Amendment or Supplemental Indentures.

Upon the execution of any amendment or supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (3) of Section 902, in which case, the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

SECTION 905. Conformity with Trust Indenture Act.

Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements applicable to indentures qualified under the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Amendments or Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such amendment or supplemental indenture may be prepared and executed by the Company and the Guarantor, and authenticated and made available for delivery by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company will duly and punctually pay the principal of, premium, if any, and interest on, the Securities and the Redemption Price as and when due, in accordance with the terms of the Securities and this Indenture, subject, in each case, to the provisions of Section 1109.

The Company shall pay interest on overdue amounts at the rate set forth on the face of the Securities, and it shall pay interest on overdue interest at the same rate compounded semiannually (to the extent that the payment of such interest shall be legally enforceable), which interest on overdue interest shall accrue from the date such amounts became overdue.

SECTION 1002. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, on or before each due date of the principal of, premium, if any, or interest on, any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents with respect to any series of Securities, it shall, prior to each due date of the principal of, premium, if any, or interest on, any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(1) hold all sums held by it for the payment of the principal of, premium, if any, or interest on, Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest in respect of any Security of a series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company in trust for the payment of the principal of, premium, if any, or interest on, any Security and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Company, cause to be published once, in a newspaper customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

SECTION 1004. Statements of Officers of the Company and the Guarantor as to Default; Notice of Default.

(a) The Company and the Guarantor shall each deliver to the Trustee, within 120 days after the end of each fiscal year of the Company and the Guarantor, as the case may be, a certificate, signed by the principal executive officer, principal financial officer, or principal accounting officer, stating that such officer has conducted or supervised a review of the activities of the Company or the Guarantor, as the case may be, and its Subsidiaries and of performance under this Indenture and whether or not to the best knowledge of the signers thereof the Company or the Guarantor, as the case may be, has fulfilled all of its obligations under this Indenture or is in default (without regard to periods of grace or requirements of notice) in the performance and observance of any of the terms, provisions and conditions hereof, and if the Company or the

Guarantor, as the case may be, shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

(b) The Company or the Guarantor, as the case may be, shall file with the Trustee written notice of the occurrence of any default or Event of Default or event or condition which with notice or the lapse of time or both would become an Event of Default within five Business Days of its becoming aware of any such default, Event of Default or event or condition.

SECTION 1005. Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 1006. Maintenance of Properties.

The Company shall cause all material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 1006 shall prevent the Company from discontinuing the operation or maintenance of any of such properties or disposing of any of them if such discontinuance or disposal is, in the judgment of the Company desirable in the conduct of its business or the business of any Subsidiary.

SECTION 1007. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or

any Subsidiary, in each case, material to the Company and its Subsidiaries, taken as a whole; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which disputed amounts adequate reserves have been made.

SECTION 1008. Limitation on Layering Debt.

Neither the Company nor the Guarantor may create, incur, assume or suffer to exist any Debt that is subordinate in right of payment to any other Debt of the Company or the Guarantor, as applicable, unless, by its terms or the terms of the instrument creating or evidencing it, such Debt is subordinate in right of payment to, or ranks pari passu with, the Securities or, in the case of Guarantor, the Guarantee.

SECTION 1009. Limitation on Status as Investment Company.

Neither the Company nor any of its Subsidiaries may become an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), to the extent any are subject to regulation under the Investment Company Act of 1940, as amended, except for Subsidiaries established for the purpose of financing the other operating businesses of the Company or its Subsidiaries.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Right of Redemption.

The Securities may be redeemed at the election of the Company as specified in the form of Security or as specified in Section 1109.

SECTION 1102. Applicability of Article.

Redemption of any series of Securities at the election of the Company, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

SECTION 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Board Resolution of the Company. In case of any redemption at the election of the Company of less than all the Securities of a series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

SECTION 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of a series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than \$1,000.

The Trustee shall promptly notify the Company and each Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1105. Notice of Redemption.

Notice of Redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed, and that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities equal to the unredeemed portions thereof will be issued,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date,

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and

(6) the CUSIP number of the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1106. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date, subject to the provisions of Section 1109.

SECTION 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, subject to the provisions of Section 1109, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued and unpaid interest) such Securities shall cease to bear interest. Upon surrender of any such Security

for redemption in accordance with said notice, such Security shall be paid for by the Company at the Redemption Price, together with accrued and unpaid interest to the Redemption Date subject to the provisions of Section 1109; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

SECTION 1108. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 1109. Redemption to Comply with Gaming Laws.

Notwithstanding the other provisions of this Indenture, if a Holder or beneficial owner of a Security is required to qualify under the Gaming Laws and does not so qualify, the Holder will be obliged, at the request of the Company, to dispose of such Holder's Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authority (in which event the Company's obligation to pay any interest after the receipt of such notice shall be limited as provided in such Gaming Laws), and, thereafter, the Company shall have the right to redeem, on the date fixed by the Company for redemption of such Securities, such Holder's Securities at a redemption price equal to 100% of the principal amount without accrued interest thereon from such date as required by such Gaming Laws. If the Company elects to redeem Securities pursuant to this paragraph, the notice required by Sections

1103 and 1105 shall be deemed properly given, if mailed by the Company at any time prior to such redemption date fixed by the Company.

ARTICLE TWELVE

GUARANTEE

SECTION 1201. Guarantee.

(a) Subject to subsection (b), below, and subject to the provisions of Section 1109, the Guarantor hereby irrevocably and unconditionally guarantees (such guarantee being the "Guarantee") to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture and the Securities hereunder, that: (i) the principal of, premium, if any, and interest on the Securities promptly will be paid in full when due, whether at the maturity or Interest Payment Date, by acceleration, call for redemption or otherwise, and interest on the overdue principal, premium, if any, and interest, if any, of the Securities, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof, and (ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due by the Company of any amount so guaranteed for whatever reason, the Guarantor shall be obligated to pay the same immediately. The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities and this Indenture. If any Holder or the Trustee is required by any court or otherwise to return to the Company or any custodian, Trustee, liquidator or other similar official acting in relation

to the Company, any amount paid by the Company to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations is guaranteed hereby.

(b) It is the intention of the Guarantor and the Company that the obligations of the Guarantor hereunder shall be, but not in excess of, the maximum amount permitted by applicable law. Accordingly, if the obligations in respect of the Guarantee would be annulled, avoided or subordinated to the creditors of the Guarantor by a court of competent jurisdiction in a proceeding actually pending before such court as a result of a determination both that such Guarantee was made without fair consideration and, immediately after giving effect thereto, the Guarantor was insolvent or unable to pay its debts as they mature or left with an unreasonably small capital, then the obligations of the Guarantor under the Guarantee shall be reduced by such court if such reduction would result in the avoidance of such annulment, avoidance or subordination; provided, however, that any reduction pursuant to this paragraph shall be made in the smallest amount as is strictly necessary to reach such result. For purposes of this paragraph, "fair consideration," "insolvency," "unable to pay its debts as they mature," "unreasonably small capital" and the effective times of reductions, if any, required by this paragraph shall be determined in accordance with applicable law.

(c) The Guarantor shall be subrogated to all rights of the Holders against the Company in respect of any amounts paid by Guarantor pursuant to the provisions of the Guarantee or this Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, premium, if any, and interest on all Securities issued hereunder shall have been paid in full.

SECTION 1202. Execution and Delivery of Guarantee.

To evidence the Guarantee set forth in Section 1201, the Company and the Guarantor hereby agree that a notation of such Guarantee shall be endorsed on each Security authenticated and delivered by the Trustee, that such notation of such Guarantee shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and that this Indenture shall be executed on behalf

of the Guarantor by its Chairman of the Board, one of its Vice Chairmen of the Board, its President or one of its Vice Presidents under a facsimile of its seal reproduced thereon and attested to by another officer other than the officer executing the Indenture, as the case may be.

The Guarantor hereby agrees that the Guarantee set forth in Section 1201 shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of the Guarantee.

If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Security on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantor.

SECTION 1203. Release of Guarantor.

The Guarantor shall be released from all of its obligations under the Guarantee and under this Indenture if:

- (a) (i) the Company or the Guarantor has transferred all or substantially all of its properties and assets to any Person (whether by sale, merger or consolidation or otherwise), or has merged into or consolidated with another Person, pursuant to a transaction in compliance with this Indenture;
- (ii) the corporation to whom all or substantially all of the properties and assets of the Company or the Guarantor are transferred, or whom the Company or the Guarantor has merged into or consolidated with, has expressly assumed, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantees and this Indenture;
- (iii) immediately before and immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of

time or both, would become an Event of Default, shall have occurred and be continuing; and

(iv) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(b) the Guarantor liquidates (other than pursuant to any Bankruptcy Law) and complies, if applicable, with the provisions of this Indenture; provided that if a Person and its Affiliates, if any, shall acquire all or substantially all of the assets of the Guarantor upon such liquidation the Guarantor shall liquidate only if:

(i) the Person and each such Affiliate (or the common corporate parent of such Person and its Affiliates, if such Person and its Affiliates are wholly owned by such parent) which acquire or will acquire all or a portion of the assets of the Guarantor shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor, under the Guarantees and this Indenture and such Person or any of such Affiliates (or such parent) shall be a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iii) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such liquidation and such supplemental indenture comply with this Section 1203 and that all

conditions precedent herein provided for relating to such transaction have been complied with; or

(c) the Company ceases for any reason to be a "wholly owned subsidiary" of the Guarantor (as such term is defined in Rule 1-02(z) of the Regulation S-X promulgated by the Commission).

Upon any assumption of the Guarantee by any Person pursuant to this Section, such Person may exercise every right and power of the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the Guarantor, hereunder and under the Guarantees and the Indenture shall terminate.

SECTION 1204. When Guarantor May Merge, etc.

The Guarantor shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(a) either the Guarantor shall be the continuing person, or the Person (if other than the Guarantor) formed by such consolidation or into which the Guarantor is merged or to which the assets of the Guarantor are transferred shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantee and this Indenture;

(b) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and such supplemental indenture comply with this Section and that

all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any sale, conveyance or lease of all or substantially all of the assets of the Guarantor, in accordance with this Section, the successor corporation formed by such consolidation or into which the Guarantor is merged or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the predecessor Guarantor hereunder and under the Guarantee and the Indenture shall terminate.

ARTICLE THIRTEEN

SUBORDINATION OF SECURITIES

SECTION 1301. Securities Subordinated to Senior Debt.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of any Securities, by his or its acceptance thereof, likewise covenants and agrees, that the indebtedness evidenced by the Securities (and any renewals or extensions thereof), including the principal of, premium, if any, and interest thereon and any interest payable on such interest, and requirements that the Company make repurchases or redemptions shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Senior Debt, and that each holder of Senior Debt whether now outstanding or hereafter created, incurred, assumed or guaranteed shall be deemed to have acquired Senior Debt in reliance upon the covenants and provisions contained in this Indenture and the Securities.

SECTION 1302. Securities Subordinated to Prior Payment of All Senior Debt on Dissolution, Liquidation, Reorganization, etc. of the Company.

Upon any payment or distribution of the assets of the Company of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Securities) to creditors upon any dissolution, winding-up, total or partial liquidation, reorganization, or recapitalization or readjustment of the Company or its property or securities

(whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation, or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Company or otherwise), then in such event,

(i) all holders of Senior Debt shall first be entitled to receive payment in full in cash or Cash Equivalents, before any payment is made on account of the principal, premium, if any, or interest on the indebtedness evidenced by the Securities or in respect of the Redemption Price;

(ii) any payment or distribution of assets of the Company, of any kind or character, whether in cash, property or securities (other than Capital Stock of the Company), to which the Holders, or the Trustee on behalf of the Holders, would be entitled except for the provisions of this Article Thirteen, shall be paid or delivered by any debtor or other person making such payment or distribution, directly to the holders of the Senior Debt or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 1302, any payment or distribution of assets of the Company, whether in cash, property or securities (other than Capital Stock of the Company), shall be received by the Trustee or the Holders before all Senior Debt is paid in full, such payment or distribution (subject to the provisions of Sections 1306 and 1307) shall be held in trust for the benefit of, and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Senior Debt remaining unpaid or unprovided for, or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of

such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

The Company shall give prompt written notice to the Trustee and any Paying Agent of any action or plan of dissolution, winding-up, liquidation or reorganization of the Company or any other facts known to it which would cause a payment to violate this Article Thirteen.

Upon any payment or distribution of assets of the Company, referred to in this Article Thirteen, the Trustee, subject to the provisions of Section 601 and Section 603, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceeding is pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Debt and other Debt of the Company, the amount thereof payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Thirteen.

SECTION 1303. Holders of Securities to be Subrogated to Right of Holders of Senior Debt.

Subject to the payment in full of all Senior Debt in cash or Cash Equivalents, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all Debt of the Company that, by its terms, is not superior in right of payment to the Securities and ranks on a parity with the Securities) to the rights of the holders of Senior Debt to receive payments or distributions of assets of the Company applicable to the Senior Debt until the principal of, premium, if any, and interest on, the Securities, including the Redemption Price, if applicable, shall be paid in full, and for purposes of such subrogation, no payments or distributions to the holders of Senior Debt of assets, whether in cash, property or securities, distributable to the holders of Senior Debt under the provisions hereof to which the Holders would be entitled except for the provisions of this Article Thirteen, and no payment over pursuant to the provisions of this Article Thirteen to the holders of Senior Debt by the Holders shall, as between the

Company, its creditors (other than the holders of Senior Debt) and the Holders, be deemed to be a payment by the Company to or on account of Senior Debt, it being understood that the provisions of this Article Thirteen are, and are intended, solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Debt, on the other hand.

SECTION 1304. Obligations of the Company Unconditional.

Nothing contained in this Article Thirteen or elsewhere in this Indenture or in any Security (but subject to the provisions of Section 1109) is intended to or shall impair or affect, as between the Company, its creditors (other than the holders of Senior Debt) and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest on, the Securities, and the Redemption Price, as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Debt, nor shall anything herein or therein prevent or limit the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon the happening of an Event of Default hereunder, subject to the provisions of Article Five hereof and to the rights, if any, under this Article Thirteen of the holders of Senior Debt in respect of assets, whether in cash, property or securities, of the Company received upon the exercise of any such remedy. Nothing contained in this Article Thirteen or elsewhere in this Indenture or in the Securities, shall, except during the pendency of any dissolution, winding-up, total or partial liquidation, reorganization, recapitalization or readjustment of the Company or its securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of assets and liabilities of the Company or otherwise), affect the obligation of the Company to make, or prevent the Company from making, at any time (except under the circumstances described in Section 1305 hereof), payment of principal of, premium, if any, or interest on, the Securities, or the Redemption Price in respect of any Securities.

SECTION 1305. Company Not to Make Payments With Respect to Securities in Certain Circumstances.

(a) Upon the maturity of any Senior Debt by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and all other obligations in respect thereof shall first be paid in full in cash or Cash Equivalents, or such payment duly provided for, and, in the case of Senior Debt

in respect of letters of credit to the extent they have not been drawn upon, be fully secured by cash collateral, before any payment is made on account of principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

(b) Upon the happening of an event of default (as such term is used in such instrument) in respect of the payment of any Senior Debt ("Payment Default"), then, unless and until such default shall have been cured or waived by the holders of such Senior Debt or shall have ceased to exist, no payment shall be made by the Company with respect to the principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

(c) Upon the happening of a default or an event of default with respect to any Senior Debt as such terms are used in such instruments, other than a default in payment of the principal of, premium, if any, or interest on the Senior Debt, or if an event of default would result upon any payment with respect to the Securities, upon written notice of (i) the default given to the Company, the Guarantor and the Trustee by holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or (ii) the event of default given to the Company, the Guarantor and the Trustee by the holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or by holders of a majority in principal amount of any outstanding class of Senior Debt or its representative after such time as there is no Designated Senior Debt outstanding, then, unless and until such default or event of default has been cured or waived or otherwise has ceased to exist, no payment may be made by the Company with respect to the principal of, premium, if any, or interest on the Securities in cash or property, or to acquire or repurchase any of the Securities for cash or property, or on account of the redemption provisions of the Securities. Notwithstanding the foregoing, unless the Designated Senior Debt or Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default, within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, the Company is required then to pay all sums not paid to the Holders of the Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Securities. Any number of such notices may be given; provided, however, that (i) during any

360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days during each continuous 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

In the event that, notwithstanding the foregoing provisions of this Section 1305, any payment or distribution of assets of the Company, whether in cash, property or securities (other than Capital Stock of the Company), shall be received by the Trustee or the Holders at a time when such payment or distribution should not have been made because of Section 1305, such payment or distribution (subject to the provisions of Sections 1306 and 1307) shall be held in trust for the benefit of the holders of, and shall be paid or delivered by the Trustee or such Holders, as the case may be, to the holders of the Senior Debt remaining unpaid or unprovided for or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

SECTION 1306. Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice.

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee, unless and until the Trustee shall have received written notice thereof at its Corporate Trust Office from the Company or the Guarantor or from one or more holders of Senior Debt or from any representative thereof or trustee therefor, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 601 and 603 hereof, shall be entitled to assume conclusively that no such facts exist, and shall be fully protected in making any such payment in any such event.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself or itself to be a holder of Senior Debt (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of Senior Debt or a trustee on behalf of any such holder. In the event that the Trustee determines in good faith that

further evidence is required with respect to the right of any Person as a holder of Senior Debt to participate in any payment or distribution pursuant to this Article Thirteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article Thirteen, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 1307. Application by Trustee of Monies Deposited With It.

Any deposit of monies by the Company with the Trustee or any Paying Agent (whether or not in trust) for the payment of the principal of, premium, if any, or interest on, any Securities or the Redemption Price in respect of any Securities shall be subject to the provisions of Sections 1301, 1302, 1303 and 1305 hereof, except that, if prior to the opening of business on the second Business Day next prior to the date on which, by the terms of this Indenture, any such monies may become payable for any purpose (including, without limitation, the payment of principal of, premium, if any, or interest on, or the Redemption Price in respect of, any Security) the Trustee shall not have received with respect to such monies the notice provided for in Section 1306, then the Trustee shall have the full power and authority to receive such monies and to apply such monies to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; without, however, limiting any rights that holders of Senior Debt may have to recover any such payments from the Holders in accordance with the provisions of this Article Thirteen.

SECTION 1308. Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Debt.

No right of any present or future holder of any Senior Debt to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Company with the terms, provisions and covenants of this Indenture, the Securities, or any other agreement or instrument regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Each Holder of any Securities, by his acceptance thereof, undertakes and agrees for the benefit of each holder of Senior Debt to execute,

verify, deliver and file any proofs of claim, consents, assignments or other instruments that any holder of Senior Debt may at any time require in order to prove and realize upon any rights or claims pertaining to the Securities and to effectuate the full benefit of the subordination contained in this Article Thirteen, and upon failure of any Holder of any Security so to do, any such holder of Senior Debt (or a trustee or representative on its behalf) shall be deemed to be irrevocably appointed the agent and attorney-in-fact of the Holder of such Security to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instrument.

Without limiting the effect of the first paragraph of this Section 1308, any holder of Senior Debt may at any time and from time to time without the consent of or notice to any Holder, without impairing or releasing any of the rights of any such holder of Senior Debt hereunder, upon or without any terms or conditions and in whole or in part:

(1) change the manner, place or terms of payment, or change or extend the time of payment of or increase the amount of, renew or alter, any Senior Debt or any other liability of the Company to such holder, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the provisions hereof shall apply to the Senior Debt of such holder as so changed, extended, renewed or altered;

(2) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or however securing, any Senior Debt or any other liability of the Company to such holder or any other liabilities incurred directly or indirectly in respect thereof or hereof, or any offset against it;

(3) exercise or refrain from exercising any rights or remedies against the Company or others or otherwise act or refrain from acting or for any reason fail to file, record or otherwise perfect any security interest in or lien on any property of the Company or any other Person;

(4) settle or compromise any Senior Debt or any other liability of the Company to such holder or any security therefor, or any liability incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of

all or any part thereof to the payment of any liability (whether due or not) of the Company to creditors of the Company other than such holder; and

(5) apply any sums by whomsoever paid and however realized to any liability or liabilities of the Company to such holder (other than in respect of the Securities or any liability or liabilities which rank pari passu or junior in right of payment to the Securities) regardless of what liability or liabilities of the Company to such holder remain unpaid.

SECTION 1309. Holders of Securities Authorize Trustee to Effectuate Subordination of Securities.

Without purporting to limit the authority of the Trustee as may be appropriate in other circumstances, each Holder by his or its acceptance thereof irrevocably authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Thirteen and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding-up or liquidation or reorganization under Bankruptcy Law of the Company (whether in bankruptcy, insolvency or receivership proceedings or otherwise), the timely filing of a claim for the unpaid balance of its or his Securities in the form required in such proceedings and the causing of such claim to be approved. If the Trustee does not file a claim or proof of debt substantially in the form required in such proceeding at least one day before the expiration of the time to file such claims or proofs, then any of the holders of Senior Debt have the right to file such proof of claim or debt on behalf of the Holders, and to take any action with respect to such proof of claim or debt permitted to be taken by the holders of Senior Debt pursuant to this Indenture, the Securities or by law; provided, however, that no such action by holders of Senior Debt shall in any way limit or affect the rights of the Holders or the Trustee hereunder or under the Securities or applicable law.

SECTION 1310. Right of Trustee to Hold Senior Debt; Preservation of Trustee's Rights.

The Trustee, in its individual capacity, shall be entitled to all of the rights set forth in this Article Thirteen in respect of any Senior Debt at any time held by it to the same extent as any other holder of Senior Debt, and nothing in this Indenture shall be construed to deprive the Trustee of

any of its rights as such holder. Nothing in this Article Thirteen shall apply to claims of, or payment to, the Trustee under or pursuant to Section 607.

SECTION 1311. Article Thirteen Not to Prevent Events of Default.

The failure to make a payment on account of principal of, premium, if any, or interest on, the Securities or Redemption Price in respect of the Securities, by reason of any provision in this Article Thirteen shall not be construed as preventing the occurrence of an Event of Default under Section 501 hereof.

SECTION 1312. Trustee Not Fiduciary for Holders of Senior Debt.

The provisions of this Indenture are not intended to create, nor shall they create, any trust or fiduciary relationship between the Trustee and the holders of Senior Debt, nor shall any implied covenants or obligations with respect to holders of Senior Debt (other than those expressly set forth herein) be read into this Indenture against the Trustee. Accordingly, notwithstanding any provision of this Article Thirteen to the contrary, the Trustee shall not be liable to any such holders if it shall, in good faith, inadvertently pay over or distribute to Holders or the Company or any other person monies or assets to which any holders of Senior Debt shall be entitled by virtue of this Article Thirteen or otherwise.

SECTION 1313. Trust Monies Not Subordinated.

Notwithstanding anything contained herein to the contrary and subject to the prior satisfaction of all of the conditions set forth in Section 401, payments from money held in trust under Article Four by the Trustee for the payment of principal of, premium, if any, or interest on, the Securities, or the Redemption Price in respect of the Securities shall not be subordinated to the prior payment of any Senior Debt of the Company or subject to the restrictions set forth in this Article Thirteen and none of the Holders shall be obligated to pay over any such amount to the Company or any holder of Senior Debt of the Company or any other creditor of the Company.

ARTICLE FOURTEEN

SUBORDINATION OF GUARANTEE

SECTION 1401. Guarantee Subordinated to Guarantor Senior Debt.

The Guarantor, for itself, its successors and assigns, covenants and agrees, and each Holder of any Securities, by his or its acceptance thereof, likewise covenants and agrees, that payments by the Guarantor in respect of the Guarantee shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Guarantor Senior Debt, and that each holder of Guarantor Senior Debt whether now outstanding or hereafter created, incurred, assumed or guaranteed shall be deemed to have acquired Guarantor Senior Debt in reliance upon the covenants and provisions contained in this Indenture and the Securities. For purposes of this Article Fourteen, "payment in respect of the Guarantee" means any payment made by or on behalf of the Guarantor in respect of the Guarantee, including, but not limited to, any payment on account of the principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

SECTION 1402. Guarantee Subordinated to Prior Payment of All Guarantor Senior Debt on Dissolution, Liquidation, Reorganization, etc. of the Guarantor.

Upon any payment or distribution of the assets of the Guarantor of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Securities) to creditors upon any dissolution, or winding-up, or total or partial liquidation, or reorganization, or recapitalization or readjustment of the Guarantor or its property or securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation, or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Guarantor or otherwise), then in such event,

(i) the holders of all Guarantor Senior Debt shall first be entitled to receive payment in full in cash or Cash Equivalents before any payment in respect of the Guarantee is made;

(ii) any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities (other than Capital Stock of the Guarantor), to which the Holders, or the Trustee on behalf of the Holders, would be entitled except for the provisions of this Article Fourteen, shall be paid or delivered by any debtor or other person making such payment or distribution, directly to the holders of the Guarantor Senior Debt or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Guarantor Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Guarantor Senior Debt held or represented by each, for application to payment of all Guarantor Senior Debt remaining unpaid, to the extent necessary to pay all Guarantor Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Debt; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 1402, any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities (other than Capital Stock of the Guarantor), shall be received by the Trustee or the Holders before all Guarantor Senior Debt is paid in full, such payment or distribution (subject to the provisions of Sections 1406 and 1407) shall be held in trust for the benefit of, and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Guarantor Senior Debt remaining unpaid or unprovided for, or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Guarantor Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Guarantor Senior Debt held or represented by each, for application to the payment of all Guarantor Senior Debt remaining unpaid, to the extent necessary to pay all Guarantor Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Debt.

The Guarantor shall give prompt notice to the Trustee and any Paying Agent of any dissolution, winding-up, liquidation or reorganization of

the Guarantor or any other facts known to it which would cause a payment to violate this Article Fourteen.

Upon any payment or distribution of assets of the Guarantor referred to in this Article Fourteen, the Trustee, subject to the provisions of Section 601 and Section 603, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceeding is pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Guarantor Senior Debt and other Debt of the Guarantor, the amount thereof payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen.

SECTION 1403. Holders of Securities to be Subrogated to Right of Holders of Guarantor Senior Debt.

Subject to the payment in full of all Guarantor Senior Debt in cash or Cash Equivalents, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all Debt of the Guarantor that, by its terms, is not superior in right of payment to the Guarantee and ranks on a parity with the Guarantee) to the rights of the holders of Guarantor Senior Debt to receive payments or distributions of assets of the Guarantor applicable to the Guarantor Senior Debt until the principal of, premium, if any, and interest on, the Securities, including the Redemption Price, if any, shall be paid in full, and for purposes of such subrogation, no payments or distributions to the holders of Guarantor Senior Debt of assets, whether in cash, property or securities, distributable to the holders of Guarantor Senior Debt under the provisions hereof to which the Holders would be entitled except for the provisions of this Article Fourteen, and no payment over pursuant to the provisions of this Article Fourteen to the holders of Guarantor Senior Debt by the Holders shall, as between the Guarantor, its creditors (other than the holders of Guarantor Senior Debt) and the Holders, be deemed to be a payment by the Guarantor to or on account of Guarantor Senior Debt, it being understood that the provisions of this Article Fourteen are, and are intended, solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Guarantor Senior Debt, on the other hand.

SECTION 1404. Obligations of the Guarantor Unconditional.

Nothing contained in this Article Fourteen or elsewhere in this Indenture or in any Security (but subject to the provisions of Section 1109) is intended to or shall impair or affect, as between the Guarantor, its creditors (other than the holders of Guarantor Senior Debt) and the Holders, the obligation of the Guarantor under the Guarantee, or to affect the relative rights of the Holders and creditors of the Guarantor, other than the holders of Guarantor Senior Debt, nor shall anything herein or therein prevent or limit the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon the happening of an Event of Default hereunder, subject to the provisions of Article Five hereof and to the rights, if any, under this Article Fourteen of the holders of Guarantor Senior Debt in respect of assets, whether in cash, property or securities, of the Guarantor, received upon the exercise of any such remedy. Nothing contained in this Article Fourteen or elsewhere in this Indenture or in the Securities, shall, except during the pendency of any dissolution, winding-up, total or partial liquidation, reorganization, recapitalization or readjustment of the Guarantor or its securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of assets and liabilities of the Guarantor or otherwise), affect the obligation of the Guarantor to make, or prevent the Guarantor from making, at any time (except under the circumstances described in Section 1405 hereof), any payment in respect of the Guarantee.

SECTION 1405. Guarantor Not to Make Payments in Respect of the Guarantee in Certain Circumstances.

(a) Upon the maturity of any Guarantor Senior Debt by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and all other obligations in respect thereof shall first be paid in full in cash or Cash Equivalents, or such payment duly provided for, and, in the case of Guarantor Senior Debt in respect of letters of credit to the extent they have not been drawn upon, be fully secured by cash collateral, before any payment in respect of the Guarantee is made.

(b) Upon the happening of an event of default (as such term is used in such instrument) in respect of the payment of any Guarantor Senior Debt ("Payment Default"), then, unless and until such default shall have been cured or waived by the holders of such Guarantor Senior Debt or shall have ceased to exist, no payment in respect of the Guarantee shall be made.

(c) Upon the happening of a default or an event of default with respect to any Guarantor Senior Debt as such terms are used in such instruments, other than a default in payment of the principal of, premium, if any, or interest on the Guarantor Senior Debt, or if an event of default would result upon any payment pursuant to the Guarantee with respect to the Securities, upon written notice of (i) the default given to the Company, the Guarantor and the Trustee by holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or (ii) the event of default given to the Company, the Guarantor and the Trustee by the holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or by holders of a majority in principal amount of any outstanding class of Guarantor Senior Debt or its representative after such time as there is no Designated Senior Debt outstanding, then, unless and until such default or event of default has been cured or waived or otherwise has ceased to exist, no payment in respect of the Guarantee may be made. Notwithstanding the foregoing, unless the Designated Senior Debt or Guarantor Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default, within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, the Guarantor is required then to pay all sums not paid to the Holders of the Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Securities. Any number of such notices may be given; provided, however, that (i) during any 360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days during each continuous 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

SECTION 1406. Trustee Entitled to Assume Payments Not Prohibited in
Absence of Notice.

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee, unless and until the Trustee shall have received written notice thereof at its Corporate Trust Office from the Company or the Guarantor or from one or more holders of Guarantor Senior Debt or from any representative thereof or trustee therefor, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 601 and 603 hereof, shall be

entitled to assume conclusively that no such facts exist, and shall be fully protected in making any such payment in any such event.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself or itself to be a holder of Guarantor Senior Debt (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of Guarantor Senior Debt or a trustee on behalf of any such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Guarantor Senior Debt to participate in any payment or distribution pursuant to this Article Fourteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Guarantor Senior Debt held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article Fourteen, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 1407. Application by Trustee of Monies Deposited With It.

Any deposit of monies by the Guarantor with the Trustee or any Paying Agent (whether or not in trust) for any payment in respect of the Guarantee shall be subject to the provisions of Sections 1401, 1402, 1403 and 1405 hereof except that, if prior to the opening of business on the second Business Day next prior to the date on which, by the terms of this Indenture, any such monies may become payable for any purpose (including, without limitation, the payment of principal of, or premium (if any) or interest on, or the Redemption Price in respect of, any Security) the Trustee shall not have received with respect to such monies the notice provided for in Section 1406, then the Trustee shall have the full power and authority to receive such monies and to apply such monies to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; without, however, limiting any rights that holders of Guarantor Senior Debt may have to recover any such payments from the Holders in accordance with the provisions of this Article Fourteen.

SECTION 1408. Subordination Rights Not Impaired by Acts or Omissions of Guarantor or Holders of Guarantor Senior Debt.

No right of any present or future holder of any Guarantor Senior Debt to enforce subordination, as herein provided, shall at any time in

any way be prejudiced or impaired by any act or failure to act on the part of Guarantor or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Guarantor with the terms, provisions and covenants of this Indenture, the Securities, or any other agreement or instrument regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Each Holder of any Securities, by his acceptance thereof, undertakes and agrees for the benefit of each holder of Guarantor Senior Debt to execute, verify, deliver and file any proofs of claim, consents, assignments or other instruments that any holder of Guarantor Senior Debt may at any time require in order to prove and realize upon any rights or claims pertaining to the Guarantee and to effectuate the full benefit of the subordination contained in this Article Fourteen; and upon failure of any Holder of any Security so to do, any such holder of Guarantor Senior Debt (or a trustee or representative on its behalf) shall be deemed to be irrevocably appointed the agent and attorney-in-fact of the Holder of such Security to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instrument.

Without limiting the effect of the first paragraph of this Section 1408, any holder of Guarantor Senior Debt may at any time and from time to time without the consent of or notice to any Holder, without impairing or releasing any of the rights of any such holder of Guarantor Senior Debt hereunder, upon or without any terms or conditions and in whole or in part:

(1) change the manner, place or terms of payment, or change or extend the time of payment of or increase the amount of, renew or alter, any Guarantor Senior Debt or any other liability of the Guarantor to such holder, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the provisions hereof shall apply to the Guarantor Senior Debt of such holder as so changed, extended, renewed or altered;

(2) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or however securing, any Guarantor Senior Debt or any other liability of the Guarantor to such holder or any other liabilities incurred directly or indirectly in respect thereof or hereof, or any offset against it;

(3) exercise or refrain from exercising any rights or remedies against the Guarantor or others or otherwise act or refrain from acting or for any reason fail to file, record or otherwise perfect any security interest in or lien on any property of the Guarantor or any other Person;

(4) settle or compromise any Guarantor Senior Debt or any other liability of the Company to such holder or any security therefor, or any liability incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Guarantor to creditors of the Guarantor other than such holder; and

(5) apply any sums by whomsoever paid and however realized to any liability or liabilities of the Guarantor to such holder (other than in respect of the Guarantee or any liability or liabilities which rank pari passu or junior in right of payment to the Guarantee) regardless of what liability or liabilities of the Guarantor to such holder remain unpaid.

SECTION 1409. Holders of Securities Authorize Trustee to Effectuate Subordination of Guarantee.

Without purporting to limit the authority of the Trustee as may be appropriate in other circumstances, each Holder by his or its acceptance thereof irrevocably authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Fourteen and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding-up or liquidation or reorganization under Bankruptcy Law of the Guarantor (whether in bankruptcy, insolvency or receivership proceedings or otherwise), the timely filing of a claim for the unpaid balance of its or his Securities in the form required in such proceedings and the causing of such claim to be approved. If the Trustee does not file a claim or proof of debt substantially in the form required in such proceeding at least one day before the expiration of the time to file such claims or proofs, then any of the holders of Guarantor Senior Debt have the right to file such proof of claim or debt on behalf of the Holders, and to take any action with respect to such proof of claim or debt permitted to be taken by the holders of Guarantor Senior Debt pursuant to this Indenture, the Securities or by law; provided, however, that no

such action by holders of Guarantor Senior Debt shall in any way limit or affect the rights of the Holders or the Trustee hereunder or under the Guarantee or applicable law.

SECTION 1410. Right of Trustee to Hold Guarantor Senior Debt; Preservation of Trustee's Rights.

The Trustee, in its individual capacity, shall be entitled to all of the rights set forth in this Article Fourteen in respect of any Guarantor Senior Debt at any time held by it to the same extent as any other holder of Guarantor Senior Debt, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder. Nothing in this Article Fourteen shall apply to claims of, or payment to, the Trustee under or pursuant to Section 607.

SECTION 1411. Article Fourteen Not to Prevent Events of Default.

The failure to make a payment in respect of the Guarantee, by reason by any provision in this Article Fourteen shall not be construed as preventing the occurrence of an Event of Default under Section 501 hereof.

SECTION 1412. Trustee Not Fiduciary for Holders of Guarantor Senior Debt.

The provisions of this Indenture are not intended to create, nor shall they create, any trust or fiduciary relationship between the Trustee and the holders of Guarantor Senior Debt, nor shall any implied covenants or obligations with respect to holders of Guarantor Senior Debt (other than those expressly set forth herein) be read into this Indenture against the Trustee. Accordingly, notwithstanding any provision of this Article Fourteen to the contrary, the Trustee shall not be liable to any such holders if it shall, in good faith, inadvertently pay over or distribute to Holders or the Guarantor or any other person monies or assets to which any holders of Guarantor Senior Debt shall be entitled by virtue of this Article or otherwise.

SECTION 1413. Trust Monies Not Subordinated.

Notwithstanding anything contained herein to the contrary and subject to the prior satisfaction of all of the conditions set forth in Section 401, payments from money held in trust under Article Four by the Trustee for any payment in respect of the Guarantee shall not be subordinated to the prior payment of any Guarantor Senior Debt of the Guarantor or subject to the restrictions set forth in this Article Fourteen and none of the Holders shall be

obligated to pay over any such amount to the Guarantor or any holder of Guarantor Senior Debt of the Guarantor or any other creditor of the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Attest:

[Seal] By: _____
Name:
Title:

HARRAH'S ENTERTAINMENT, INC.

[Seal] By: _____
Name:
Title:

By: _____
Name:
Title:

NATIONSBANK OF TENNESSEE, N.A.

[Seal] By: _____
Name:
Title:

By: _____
Name:
Title:

HARRAH'S OPERATING COMPANY, INC.,
 Issuer

HARRAH'S ENTERTAINMENT, INC.,
 Guarantor

and

NATIONSBANK OF
 TENNESSEE, N.A.,

Trustee

Indenture

Dated as of _____, ____

\$ _____

_____% Subordinated Notes Due ____

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HARRAH'S OPERATING COMPANY, INC.
 Certain Sections of this Indenture relating to
 Sections 310 through 318 of the
 Trust Indenture Act of 1939:

Trust Indenture Act Section	Indenture Section
-----	-----
310(a)(1)	608
(a)(2)	608
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
311(a)	609
(b)	612
312(a)	701
(a)	702
(b)	702(b)
(c)	702(c)
313(a)	703(a)
(a)(4)	703(a)
(b)	703(a)
(c)	703(a), (b) and (c)
(d)	703(c)
314(a)	704
(b)	Not Applicable
(c)(1)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	102
315(a)	601(a)
(b)	602
(c)	601(b)
(d)	601(c)
(e)	514
316(a)	101
(a)(1)(A)	502, 512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(e)
317(a)(1)	503
(a)(2)	504
(b)	103
318(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE, dated as of _____, 199__, among Harrah's Operating Company, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, Harrah's Entertainment, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1023 Cherry Road, Memphis, Tennessee 38117, and Nations Bank of Tennessee, having its principal corporate trust office at _____, as Trustee (herein called the "Trustee").

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Subordinated Notes to be issued in one or more series (the "Securities"), as herein provided, up to such principal amount as may from time to time be authorized in or pursuant to one or more resolutions of the Board of Directors or by supplemental indenture.

The Guarantor has duly authorized its guarantee (the "Guarantee") of all of the Company's obligations under the Securities, and to provide therefor the Guarantor has duly authorized the execution and delivery of this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders (as hereinafter defined) thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture and any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(4) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Five, are defined in that Article.

"Acceleration Notice" has the meaning specified in Section 502.

"Act," when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to

direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Associate" has the meaning ascribed thereto under Rule 12b-2 under the Exchange Act.

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Bankruptcy Law" means Title 11, United States Code or any similar Federal or state law for the relief of debtors.

"Board of Directors" means the board of directors of the Company or the Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the Borough of Manhattan, the City of New York, are authorized or obligated by law or executive order to close.

"Capital Stock" means, with respect to any Person, any capital stock of such Person and shares, interests, participations or other ownership interests (however designated), of any Person and any rights (other than debt securities convertible into corporate stock), warrants or options to purchase any thereof, other than (except with respect to the definition of "Redeemable Stock"), in all such cases, Redeemable Stock.

"Capitalized Lease Obligation" means, with respect to any Person for any period, any obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP and the amount of such obligation shall be the capitalized amount thereof determined in accordance with such principles.

"Cash Equivalents" means (i) obligations of the United States of America or any agency thereof, or obligations fully guaranteed by the United States of America or any agency thereof, provided, that such obligations mature within one year of the date of acquisition thereof, (ii) commercial paper rated the highest grade by a national credit rating agency and maturing not more than one year from the date of creation thereof, (iii) time deposits with, and certificates of deposit and banker's acceptances issued by, any bank having capital surplus and undivided profits aggregating at least \$500 million and (iv) repurchase agreements that are secured by a perfected security interest in an obligation described in clause (i) and are with any bank described in clause (iii).

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company or the Guarantor, as the case may be, by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in The City of New York, at which at any particular time its corporate trust business shall be administered, which, as of the date of this Indenture, is located at _____.

"Credit Agreement" means collectively the Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, and the Credit Agreement, dated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, The Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and The Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent, together with all notes, collateral and security documents, guarantees and other documents delivered in connection therewith, as such agreements may hereafter be amended (including any amendments and restatements thereof), supplemented, replaced, or otherwise modified from time to time.

"Debt" of any Person means, at any date, all obligations, contingent or otherwise, (i) of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) of such Person evidenced by bonds, debentures, notes or other similar instruments, if and to the extent any of the foregoing described in clauses (i) and (ii) would appear as a liability on the balance sheet of such Person, (iii) of such Person in respect of bankers acceptances, letters of credit or other similar instruments (or reimbursement obligations with respect thereto), (iv) of such Person under Capitalized Lease Obligations, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all Debt of others guaranteed by such Person (but only to the extent of such guarantees), (vii) to the extent not otherwise included, obligations of such Person under currency agreements and Interest Rate Agreements, (viii) the liquidation preference and any mandatory redemption

payment obligations (without duplication) of such Person's Subsidiaries in respect of preferred stock issued by any such Subsidiary and (ix) in the case of such Person, the liquidation preference and any mandatory redemption payment obligations (without duplication) in respect of Redeemable Stock. In addition, "Debt" of any Person shall include Debt described in the foregoing clauses (i) and (ii) that would not appear as a liability on the balance sheet of such Person if (1) such Debt is the obligation of a partnership or joint venture that is not a Subsidiary of such Person (the "Joint Venture"), (2) such Person or a Subsidiary of such Person is a general partner of the Joint Venture (the "General Partner"), and (3) there is recourse, by contract or operation of law, with respect to payment of such obligations to property or assets of such Person or a Subsidiary of such Person; then such Debt shall be included in an amount not to exceed the greater of (A) the net assets of the General Partner, and (B) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Subsidiary of such Person (other than the General Partner). In the case of Debt of others secured by a Lien to which the assets owned or held by such Person is subject, the amount of the Debt of such Person at any date shall be the lesser of the fair market value at such date of determination of any asset subject to a Lien securing the Debt of others and the amount of the Debt secured.

"Defaulted Interest" has the meaning specified in Section 307.

"Designated Senior Debt" means Debt, including any obligation for interest which would accrue but for any proceeding referred to in Section 1302, of the Company in respect of the Credit Agreement, as amended from time to time, or, after all Debt of the Company in respect of the Credit Agreement, as amended from time to time, has been paid in full, Debt that otherwise would constitute Senior Debt in respect of any refinancing or replacement thereof or, if there is no such refinancing or replacement thereof, or after all Debt of the Company in respect of any such refinancing or replacement has been paid in full, "Designated Senior Debt" shall mean any class of Senior Debt the aggregate principal amount outstanding of which exceeds \$100,000,000.

"Designated Senior Debt of the Guarantor" means Debt, including any obligation for interest which would accrue but for any proceeding referred to in Section 1402, of the Guarantor in respect of the Credit Agreement, as amended from time to time, or after all Debt of the Guarantor in respect of the Credit Agreement, as amended from time to time, has been paid in full, Debt that would otherwise constitute Guarantor Senior Debt in respect of any refinancing or replacement thereof or, if there is no such refinancing or replacement thereof, or after all such Debt of the Guarantor in respect of any such refinancing or

replacement has been paid in full, "Designated Senior Debt of the Guarantor" shall mean any class of Guarantor Senior Debt the aggregate principal amount outstanding of which exceeds \$100,000,000.

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles as in effect in the United States on the date of this Indenture.

"Gaming Authority" means the Nevada Gaming Commission, the Nevada Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement or any similar commission or agency which has, or may at any time after the date of this Indenture have, jurisdiction over the gaming activities of the Company or the Guarantor or a Subsidiary of the Company or the Guarantor or any successor thereto.

"Gaming Laws" means the gaming laws of a jurisdiction or jurisdictions to which the Company, the Guarantor or a Subsidiary of any of them is, or may at any time after the date of this Indenture be, subject.

"Group" means a group as that term is used in Sections 13(d) and 14(d) of the Exchange Act.

"Guarantee" shall have the meaning set forth in Section 1201 hereof.

"Guarantor" means the person named as the "Guarantor" in the first paragraph of this instrument until a successor Person replaces it pursuant to the terms hereof and thereafter means such successor and any other Person which, pursuant to the terms hereof, shall guarantee any of the obligations of the Securities.

"Guarantor Senior Debt" means (i) Designated Senior Debt of the Guarantor and (ii) all other Debt of the Guarantor (other than as to each Guarantee the other Guarantees), except (v) Redeemable Stock, (w) any obligation of the Guarantor to any Subsidiary, (x) any Debt that, by its terms or the terms of the instrument creating or evidencing such Debt, is pari passu with, or is expressly subordinate in right of payment, to the Guarantee, (y) any obligation to trade creditors and (z) the Guarantor's guarantees of the Company's 10 7/8%

Senior Subordinated Notes due 2002, 8-3/4% Senior Subordinated Notes due 2000, 11% Subordinated Notes due 1999 and the 8-3/8% Notes due 1996.

"Holder" means a Person in whose name a Security is registered in the Security Register and, when used with respect to any Security or Securities, means the Person or Persons in whose name such Security is, or Securities are, registered in the Security Register.

"Incur" means, directly or indirectly, to create, incur, assume, guarantee or otherwise become liable for; "Incurrence" has a correlative meaning.

"Indenture" means this instrument as originally executed or, if amended or supplemented as provided herein, as so supplemented or amended.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Securities.

"Interest Rate Agreement" means any obligation of any Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount; provided, that the term "Interest Rate Agreement" shall also include any obligations of such Person under interest rate exchange, collar, cap, swap option or similar agreements providing interest rate protection.

"Lien" means any mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property, or a security interest of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or similar statutes) of any jurisdiction).

"Maturity Date," when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption on a Redemption Date or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of legal counsel, who may be an employee of or counsel for the Company or the Guarantor, as the case may be, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; provided,

further, that if for any reason such Securities are not redeemed on the Redemption Date, such Securities will be deemed Outstanding; and

(iii) Securities which have been replaced or paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

"Paying Agent" means any Person authorized by the Company pursuant to this Indenture to pay the principal of, premium (if any) or interest on, any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, joint venture, trust, association, joint-stock company, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redeemable Stock" means any series or class of Capital Stock of the Company which is or may be required to be redeemed, in whole or in part, or may be put to the Company or any of its Subsidiaries, in whole or in part, at the option of the Holder thereof, on or prior to the maturity of the Securities, or is or may be, mandatorily or at the option of the holder thereof, convertible or exchangeable into or exercisable for such Capital Stock of the Company on or prior to the maturity of the Securities; provided, however, that such Capital Stock will not be Redeemable Stock if it is redeemable prior to the maturity of the Securities only if: (A) the holder or a beneficial owner of such equity security is required to qualify under the gaming laws of any jurisdiction to which such Person or any Subsidiary is subject and does not so qualify, or (B) the board of directors of such Person determines in its good faith judgment that as a result of a holder or beneficial owner owning such equity securities, such Person or a Subsidiary of such Person has lost or may lose any license or franchise or any right or approval granted thereunder from any governmental agency held by such Person or any Subsidiary of such Person necessary to conduct any portion of the business of such Person or any Subsidiary of such Person, which if lost or not reinstated, as the case may be, would have a material adverse effect on the business of such Person or its Subsidiary or would restrict the ability of such Person or its Subsidiary to conduct business in any gaming jurisdiction.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture, including as applicable without duplication, any accrued and unpaid interest due upon such redemption pursuant to the terms of this Indenture.

"Regular Record Date" for the interest payable on any interest payment date on the Securities of any series shall mean the date, if any, specified for that purpose as contemplated by Section 201 of this Indenture.

"Responsible Officer," when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman

of the trust committee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning specified in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Debt" means (i) Designated Senior Debt, (ii) the Company's 10-7/8% Senior Subordinated Notes Due 2002 and 8-3/4% Senior Subordinated Notes due 2000 and (iii) all other Debt of the Company (other than as to each Security, the other Securities), except (u) Redeemable Stock, (v) any obligation of the Company to any Subsidiary, (w) any Debt that, by its terms or the terms of the instrument creating or evidencing such Debt, is pari passu with, or expressly subordinate in right of payment, to the Securities, (x) any obligation to trade creditors, (y) the Company's 11% Subordinated Notes due 1999 and 8-3/8% Notes due 1996 and (z) any Debt specified in an indenture supplemental hereto or an Officers' Certificate as being excepted from this definition of Senior Debt.

"Significant Subsidiary" means a Subsidiary of any Person which would be a "significant subsidiary" as defined in Reg. Sec. 230.405 promulgated pursuant to the Securities Act as in effect on the date of the initial issuance of the Securities assuming that such Person is the "registrant" referred to in such definition; provided, that the Subsidiary owning the Harrah's Laughlin Casino will be deemed to be a "Significant Subsidiary" notwithstanding the foregoing.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"Subsidiary" with respect to any Person, means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person or (ii) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least majority ownership interest.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have assumed all of the duties and obligations of this Indenture pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. Government Obligations" means U.S. Legal Tender or direct non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"U.S. Legal Tender" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as the case may be, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions

precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor, as the case may be, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any certificate or opinion of Counsel may be based, insofar as it relates to factual matters,

upon certificates of public officials or upon certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company or the Guarantor, as the case may be. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section 104.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of any Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to sign any instrument evidencing or embodying an Act of Holders. If a record date is fixed, those Persons who were Holders at such record date (or their duly appointed agents), and only those Persons, shall be entitled to sign any such instrument evidencing or embodying an Act of Holders or to revoke any such instrument previously signed, whether or not such Persons continue to be Holders after such record date.

SECTION 105. Notices, Etc., to Trustee, the Company and the Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration,

(2) the Company by the Trustee, by the Guarantor or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company, or

(3) the Guarantor by the Trustee, by any Holder or by the Company shall be sufficient for every purpose hereunder (unless

otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Guarantor, addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Guarantor.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed on qualified indentures by any of Sections 310 through 317, inclusive, of the Trust Indenture Act, through the operation of Section 318(c) thereof, such imposed duties shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company or the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing contained in this Indenture or in the Securities, expressly or impliedly, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent, the holders of Senior Debt of the Company or Guarantor Senior Debt and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of principal of, or premium (if any) or interest on, the Securities need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Maturity Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Maturity Date or Stated Maturity, as the case may be, if such payment is made or duly provided for on the next succeeding Business Day.

SECTION 114. Incorporators, Stockholders, Officers and Directors of the Company or the Guarantor Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture or any indenture supplemental hereto or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or of any successor corporation to either of them, either directly or through the Company, the Guarantor or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or of any such successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issue of such Securities.

SECTION 115. Duplicate Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures

supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or depository therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

_____ As Trustee

By _____ Authorized Signatory

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1108 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denomination of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(10) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity Date thereof pursuant to Section 502;

(14) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity Date other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 401, and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;

(17) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(18) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(4), but which may modify or delete any provision of this Indenture with respect to such series, provided that no such term may modify or delete any provision hereof if imposed by the Trust Indenture Act, and provided, further that any modification or deletion of the rights, duties or immunities of the Trustee hereunder shall have been consented to in writing by the Trustee).

If any of the foregoing terms are not available at the time such Board Resolution is adopted, or such Officers' Certificate or any supplemental indenture is executed, such resolutions, Officers' Certificate or supplemental

indenture may reference the document or documents to be created in which such terms will be set forth prior to the issuance of such Securities.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company and the Guarantee shall be executed on behalf of the Guarantor by the Chairman of the Board, the President or one of the Vice Presidents of each of them, under the corporate seal of the Company or the Guarantor, as the case may be, reproduced thereon, and attested by the Secretary or one of the Assistant Secretaries of each of them. The signature of any of these officers on the Securities or Guarantees may be manual or facsimile.

Securities or Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company or the Guarantor shall bind the Company or the Guarantor, as the case may be, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities and Guarantees executed by the Company and the Guarantor to the Trustee for authentication, together with a

Company Order for the authentication and make available for delivery such Securities, and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

The Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities and Guarantees, the Company and the Guarantor may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities and Guarantees which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities and Guarantees in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations

as the officers executing such Securities and Guarantees may determine, as conclusively evidenced by their execution of such Securities and Guarantees.

If temporary Securities and Guarantees are issued, the Company will cause definitive Securities and Guarantees to be prepared without unreasonable delay. After the preparation of definitive Securities and Guarantees, the temporary Securities and Guarantees shall be exchangeable for definitive Securities and Guarantees upon surrender of the temporary Securities and Guarantees at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities and Guarantees, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, a like principal amount of definitive Securities and Guarantees of authorized denominations. Until so exchanged the temporary Securities and Guarantees shall in all respects be entitled to the same benefits under this Indenture as definitive Securities and Guarantees endorsed thereon.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose, the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency, and upon payment, if the Company shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Company and the Guarantor shall execute, and the Trustee shall

authenticate and make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 1108 or 1502 not involving any transfer.

The Company shall not be required to (i) issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (ii) register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portions of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company and the Guarantor shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a new Security, of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company and the Guarantor shall execute, and upon their request the Trustee shall authenticate and make

available for delivery, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Interest on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, subject to the provisions of Section 1109.

Any interest on any Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date notwithstanding the fact that such Holder was a Holder on such Regular Record Date, and such Defaulted Interest may be paid by the Company, at its election, as provided in Clause (1) or (2) below:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of

business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 5 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may then be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause (2), such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not any payment due in respect of such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned promptly to the Company.

SECTION 310. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use the applicable "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction, Discharge of the Indenture and Defeasance of the Securities.

The Company shall be deemed to have paid and discharged the entire indebtedness on the Securities of any series, and the provisions of this Indenture with respect to such Securities shall cease to be of further effect (subject to Section 403), if:

(1) The Company irrevocably deposits in trust with the Trustee for the benefit of the Holders, pursuant to an irrevocable trust and security agreement in form and substance reasonably satisfactory to the Trustee, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Securities, money in an amount, or (iii) a combination thereof, after payment of all Federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof (in form and substance reasonably satisfactory to the Trustee) delivered to the Trustee, to pay the principal of, premium, if any, and each installment of principal, premium and interest on such Securities then outstanding at the Maturity Date, or Redemption Date, as the case may be, of such principal, premium, if any, or installment of principal, premium or interest in accordance with the terms of the Indenture, of any Officers' Certificate with respect to such Securities and of such Securities;

(2) Such deposits shall not cause the Trustee to have a conflicting interest as defined in and for purposes of the Trust Indenture Act;

(3) Such deposit will not result in a default under this Indenture;

(4) The deposit, defeasance and discharge will not be deemed, or result in, a Federal income taxable event to the Holders of such Securities and such Holders will be subject to Federal income tax in the same amounts and in the same manner and at the same times as

would have been the case if such deposit and defeasance had not occurred;

(5) The deposit shall not result in the Company's being subject to regulation pursuant to the provisions of the Investment Company Act of 1940;

(6) After the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to Bankruptcy Laws insofar as those laws apply to the Company) following the deposit of the trust funds, such funds will not be subject to any Bankruptcy Laws affecting creditors' rights generally;

(7) Holders of such Securities will have a valid, perfected and unavoidable (under applicable Bankruptcy Laws), subject to the passage of time referred to in clause (6), first-priority security interest in the trust funds; and

(8) The Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified in this Section 401 relating to the defeasance contemplated by this Section 401 have been complied with.

In the event all or any portion of the Securities of a series are to be redeemed through such irrevocable trust, the Company must make arrangements satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

This Indenture will not be discharged if an Event of Default, or an event or condition which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of the deposit of such trust funds with the Trustee or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

In the event that the Company takes the necessary action to comply with the provisions described in this Section 401 and the Securities are declared due and payable because of the occurrence of an Event of Default, the Company will

remain liable for all amounts due on the Securities at the time of acceleration resulting from such Event of Default in excess of the amount of money and U.S. Government Obligations deposited with the Trustee pursuant to this Section 401 at the time of such acceleration.

SECTION 402. Termination of Obligations upon Cancellation of the Securities.

In addition to the Company's rights under Section 401, the Company may terminate all of its and the Guarantor's respective obligations under the Securities of any series and this Indenture with respect to that series (subject to Section 403) when:

(1) (A) all Securities of that series theretofore authenticated and delivered (other than Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306) have been delivered to the Trustee for cancellation; or (B) all such Securities of that series not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee funds, in accordance with provisions of Section 401, in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities of that series not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Securities of that series which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (who may be outside counsel to the Company), each in form and substance satisfactory to the Trustee, each stating that all conditions precedent specified herein and in Section 401 relating to the satisfaction and discharge of this Indenture with respect to that series have been complied with.

SECTION 403. Survival of Certain Obligations.

Notwithstanding the satisfaction and discharge of this Indenture and of the Securities referred to in Section 401 or 402, the respective obligations of the Company, the Guarantor and the Trustee under Sections 303, 305, 306, 307, 405, 406, 407, 607, 609, 610, 701, 1001, 1002, 1003, 1101, 1201, 1202 and 1203 with respect to that series shall survive until the Securities of that series are no longer Outstanding (provided, that compliance with the requirements of Section 402 shall be deemed to render the Securities no longer to be Outstanding for purposes of this Section 403), and thereafter the obligations of the Company, the Guarantor and the Trustee under Sections 305, 405, 406, 407, 607 and 1101 shall survive.

SECTION 404. Acknowledgement of Discharge by Trustee.

After (i) the conditions of Sections 401 or 402 have been satisfied with respect to a series of Securities, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to such series and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in Sections 401 or 402, as applicable, relating to the satisfaction and discharge of this Indenture with respect to such series have been complied with, the Trustee upon request from, and at the expense of, the Company shall acknowledge in writing the discharge of the Company's obligations under this Indenture with respect to such series except for those surviving obligations specified in Section 403.

SECTION 405. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Sections 401 or 402 shall be held in trust and applied by it, in accordance with the provisions of the Securities, any Officers' Certificate with respect to such Securities and this Indenture, to the payment to the Persons, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may

determine, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee.

SECTION 406. Repayment to the Company.

Upon termination of the trust established pursuant to Sections 401 or 402, the Trustee and the Paying Agent shall promptly pay to the Company upon request any excess money or U.S. Government Obligations held by them.

SECTION 407. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Sections 401 or 402 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Sections 401 or 402 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Sections 401 or 402; provided, however, that if the Company or the Guarantor has made any payment of principal of, premium, if any, or interest on any Securities because of the reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article Thirteen or Article Fourteen or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any installments of interest upon any Security of that series as and when the same becomes

due and payable, and continuance of such default for a period of 30 days, whether or not such payment is prohibited by Article Thirteen or Article Fourteen; or

(2) default in the payment of all or any part of the principal or premium, if any, on the Securities of that series when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise, and whether or not such payment is prohibited by Article Thirteen or Article Fourteen; or

(3) default in the observance or performance of any covenant, or agreement of the Company or the Guarantor contained in the Securities or in this Indenture (other than a default in the performance of any covenant or agreement which is specifically dealt with elsewhere in this Section 501 or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default for a period of 60 days after there has been given, by registered or certified mail, to the Company or the Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by Holders of at least 40% in aggregate principal amount of the Outstanding Securities, a written notice specifying such default, requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a default which extends beyond any period of grace applicable thereto under any mortgage, indenture or instrument under which there is outstanding certain Debt of the Company or any of its Subsidiaries or failure to pay such Debt at its Stated Maturity, which default shall have resulted in such Debt becoming or being declared due and payable prior to the date it otherwise would have become due and payable; provided, however, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of the Company or any of its Subsidiaries if such default under such mortgage, indenture or instrument shall be remedied or cured by the Company or any of its Subsidiaries, as the case may be, within 10 days of such default and the acceleration of amounts due thereunder shall, as a result of such remedy or cure, be of no further effect; or

(5) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Company or any

of its Significant Subsidiaries under any Bankruptcy Law or similar statute, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company, any of its Significant Subsidiaries, or of the property of any such Person, or for the winding up or liquidation of the affairs of any such Person, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 60 days; or

(6) the Company or any of its Significant Subsidiaries shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under any Bankruptcy Law or similar statute, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or any of its property or shall make an assignment for the benefit of creditors; or

(7) certain final judgments for the payment of money, which payments are not covered by insurance policies relieving the Company, and any of the Company's Subsidiaries from liability for such final judgments, shall be rendered against the Company or any of its Subsidiaries by a court of competent jurisdiction and shall remain undischarged for a period (during which execution shall not be effectively stayed) of 60 days after such judgment becomes final and nonappealable (or, in the case of any such final judgment which provides for payment over time, which shall so remain undischarged beyond any applicable payment date provided therein).

SECTION 502. Acceleration of Maturity Date; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Section 501(5) or (6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then, and in every such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of that series, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all of the principal of the Securities of that series, determined as set forth below, together with accrued interest thereon, to be due

and payable (i) immediately if no Designated Senior Debt is outstanding or (ii) if Designated Senior Debt is outstanding, upon the earlier of (a) 10 days after such Acceleration Notice is received by the Company or (b) the acceleration of such Designated Senior Debt. If an Event of Default specified in Section 501(5) or (6) with respect to Securities of any series at the time Outstanding occurs, all principal of, and accrued interest on, the Securities of that series shall be immediately due and payable on all Outstanding Securities of that series without any declaration or other act on the part of the Trustee or the Holders.

At any time after such a declaration of acceleration with respect to Security being made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article Five provided, the Holders of a majority in aggregate principal amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which would become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by such Securities,

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513, including, if applicable, any default in the covenants contained in Section 1501.

Notwithstanding the previous sentence of this Section 502, no rescission shall be effective for any acceleration with respect to Securities of any series resulting from an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Security of that series, unless all such affected Holders agree, in writing, to rescind such acceleration. No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity Date thereof, including the payment of the Redemption Price on any Redemption Date,

the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal, premium (if any) and interest, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate borne by such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and

enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities or the property of the Company, the Guarantor, or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise to take any and all actions authorized under the Trust Indenture Act, including

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities

or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Subject to Article Thirteen, any money collected by the Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium (if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- FIRST: To the payment of all amounts due the Trustee under Section 607;
- SECOND: To the payment of the amounts then due and unpaid for principal of, and premium (if any) and interest on, the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium (if any) and interest, respectively; and
- THIRD: To the payment of the remainder, if any, to whomsoever may be lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to, or to request, order or direct the Trustee to, institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Defaults in its own name as Trustee hereunder;
- (3) such Holder or Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred or reasonably probable to be incurred in compliance with such request;
- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture but subject to the provisions of Section 1109, Article Thirteen and Article Fourteen, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of, and premium (if any) and (subject to Section 307) interest on, such Security on the respective Stated Maturities of such payments as expressed in such Security (and in the case of redemption, the Redemption Price on the applicable Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this

Article Five or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of Securities of such series not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Default.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of any series may, on behalf of the Holders of all the Securities of such series, waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of, premium, if any, or interest on, any Security of such series as specified in clauses (1) and (2) of Section 501, or

(2) in respect of a covenant or provision hereof which, under Article Nine, cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for

every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 25% in aggregate principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for enforcement of the payment of principal of, or premium (if any) or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which, by any provision hereof, is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

Within 90 days after a default hereunder with respect to the Securities of any series occurs and is continuing, and if it is known to the Trustee, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, or premium (if any), or interest on, any Security at its Maturity Date, Redemption Date or otherwise, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(3) with respect to Securities of such Series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction or any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to

examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and believed, upon the written advice of counsel of its reasonable selection, by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Section 612, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company and the Guarantor agree

(1) to pay to the Trustee from time to time such reasonable compensation as the Company and the Trustee shall from time to time agree upon in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its non-employee agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustee or any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon or determined by the income of the Trustee), incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a claim prior to the Securities as to all property and funds properly held by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 607, except with respect to funds held in trust for the benefit of the Holders of particular Securities.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 608. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six. The Trustee shall comply with Trust Indenture Act Sec. 310(b).

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to Securities of one or more series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder, or

(2) the Trustee shall become incapable of acting or shall be judged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee. If an instrument of acceptance by a Successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any Series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders with respect to the Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee of Securities of such series and the address of its Corporate Trust Office.

(g) If any of the Gaming Authorities requires a Trustee to be approved, licensed or qualified and the Trustee fails to do so, which approval, license or qualification shall be obtained upon the request of, and at the expense of, the Company, or, if the Trustee's relationship with the Company or the Guarantor may, in the Company's or the Guarantor's discretion, jeopardize any material gaming license or franchise or right or approval granted thereto, the Trustee shall resign, and, in addition, the Trustee may at its option resign if the Trustee in its sole discretion determines not to be so approved, licensed or qualified.

SECTION 610. Acceptance of Appointment by Successor.

Every successor Trustee with respect to all Securities appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges pursuant to Section 607, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and

confirm to, and to vest in, each successor Trustee the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add or change any of the provisions of this Indenture as shall be to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming each such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate

trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 612. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act Sec. 311(a), excluding any creditor relationship listed in Trust Indenture Act Sec. 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Sec. 311(a) to the extent indicated.

SECTION 613. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent.

The Company agrees to pay each Authenticating Agent, as appointed from time to time, such reasonable fees as may be agreed to in writing by the Company, for services rendered under this Section 613.

If an appointment is made pursuant to this Section 613, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

_____,
as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS
BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

Trustee The Company shall furnish or cause to be furnished to the

(a) semi-annually, not more than 15 days after each Regular Record Date for a series of Securities, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list in similar form and content as of a

date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided in the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of any of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) At the expense of the Company, the Trustee or, if the Trustee is not the Registrar, the Registrar, shall report the names of record holders of the Securities to any Gaming Authority when requested to do so by the Company.

At the express direction of the Company and at the Company's expense, the Trustee will provide the Gaming Authorities with:

(i) copies of all notices, reports and other written communications which the Trustee gives to Holders;

(ii) a list of all of the Holders promptly after the original issuance of the Securities and periodically thereafter if the Company so directs;

(iii) notice of any Default under this Indenture, any acceleration of the Debt evidenced hereby, the institution of any legal actions or proceedings before any court or governmental authority in respect of a default or Event of Default hereunder;

(iv) notice of the removal or resignation of the Trustee within five Business Days of the effectiveness thereof;

(v) notice of any transfer or assignment of rights under this Indenture or the Guarantee known to the Trustee within five Business Days thereof; and

(vi) a copy of any amendment to the Securities, the Guarantee or this Indenture within five Business Days of the effectiveness thereof.

To the extent requested by the Company and at the Company's expense, the Trustee shall cooperate with the Gaming Authorities in order to provide such Gaming Authorities with the information and documentation requested and as otherwise required by the Gaming Laws.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed, with the Commission and with the Company. The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange.

Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company or the Guarantor is required to file the same with the Commission, copies of the audited annual reports, unaudited quarterly reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if neither the Company nor the Guarantor is required to file information, documents or reports pursuant to either of said Sections, then the Company or the Guarantor shall file with the Trustee such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a company which has a security listed and registered on a national securities exchange, as may be prescribed from time to time in the rules and regulations of the Commission;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor with the conditions and covenants of this Indenture as may be required from time to time by rules and regulations prescribed from time to time by the Commission; and

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE,
CONVEYANCE, TRANSFER OR LEASE

SECTION 801. The Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease, or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(1) (A) the Company shall be the continuing corporation in the case of a merger or (B) the resulting, surviving, or transferee entity (each such Person, or the Company in the case of clause (A), a "Surviving Entity") shall be a corporation or partnership organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered by the Surviving Entity to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company pursuant hereto and pursuant to the Securities;

(2) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been satisfied.

SECTION 802. Successor Substituted for the Company.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any sale, lease or conveyance of all or substantially all of the assets of the Company in accordance with Section 801, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein and thereafter and all the obligations of the Company hereunder and under the Securities shall terminate.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holder, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or the Guarantor, as the case may be, and the assumption by any such successor of the obligations of the Company or the Guarantor, as the case may be, herein and in the Securities in accordance with Article Eight; or

(2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly, being included for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor; or

(3) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal; or

(4) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities provided that any such addition, change or elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding; or

(5) to provide for collateral for the Securities; or

(6) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this clause (4) shall not adversely affect the interests of the Holders in any material respect; or

(7) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(8) to make any change that does not adversely affect the rights of any Holder; and

(9) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301.

SECTION 902. Amendments, Supplemental Indentures and Waivers with Consent of Holders.

Subject to Section 508, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series effected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, in each case when authorized by Board Resolutions, and the Trustee may amend this Indenture or enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this

Indenture. Subject to Section 508, the Holder or Holders of a majority, in principal amount of the Outstanding Securities may waive compliance by the Company with any provision of this Indenture. Notwithstanding any of the above, however, no such amendment, supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(3) modify any of the provisions of the waiver provisions, except to increase any required percentage, or

(4) make any changes in Section 508, 513 or this third sentence of Section 9.02.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, supplemental indenture or waiver, but it shall be sufficient if such Act shall approve the substance thereof.

After an amendment, supplemental indenture or waiver under this Section becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplemental indenture or waiver. Any failure of the Company to mail such notice, or defect therein, shall not, however, in any way impair or affect the validity of such amendment, supplemental indenture or waiver.

SECTION 903. Execution of Amendment or Supplemental Indentures.

In executing, or accepting the additional trusts created by, any amendment or supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel of the Company or the Guarantor, stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Amendment or Supplemental Indentures.

Upon the execution of any amendment or supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it makes a change described in any of clauses (1) through (3) of Section 902, in which case, the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

SECTION 905. Conformity with Trust Indenture Act.

Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements applicable to indentures qualified under the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Amendments or Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such amendment or supplemental indenture may be prepared and executed by the Company and the Guarantor, and authenticated and made available for delivery by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Company will duly and punctually pay the principal of, premium, if any, and interest on, the Securities and the Redemption Price as and when due, in accordance with the terms of the Securities and this Indenture, subject, in each case, to the provisions of Section 1109.

The Company shall pay interest on overdue amounts at the rate set forth on the face of the Securities, and it shall pay interest on overdue interest at the same rate compounded semiannually (to the extent that the payment of such interest shall be legally enforceable), which interest on overdue interest shall accrue from the date such amounts became overdue.

SECTION 1002. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, on or before each due date of the principal of, premium, if any, or interest on, any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents with respect to any series of Securities, it shall, prior to each due date of the principal of, premium, if any, or interest on, any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act.

The Company shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(1) hold all sums held by it for the payment of the principal of, premium, if any, or interest on, Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest in respect of any Security of a series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company in trust for the payment of the principal of, premium, if any, or interest on, any Security and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Company, cause to be published once, in a newspaper customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

SECTION 1004. Statements of Officers of the Company and the Guarantor as to Default; Notice of Default.

(a) The Company and the Guarantor shall each deliver to the Trustee, within 120 days after the end of each fiscal year of the Company and the Guarantor, as the case may be, a certificate, signed by the principal executive officer, principal financial officer, or principal accounting officer, stating that such officer has conducted or supervised a review of the activities of the Company or the Guarantor, as the case may be, and its Subsidiaries and of performance under this Indenture and whether or not to the best knowledge of the signers thereof the Company or the Guarantor, as the case may be, has fulfilled all of its obligations under this Indenture or is in default (without regard to periods of grace or requirements of notice) in the performance and observance of any of the terms, provisions and conditions hereof, and if the Company or the

Guarantor, as the case may be, shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

(b) The Company or the Guarantor, as the case may be, shall file with the Trustee written notice of the occurrence of any default or Event of Default or event or condition which with notice or the lapse of time or both would become an Event of Default within five Business Days of its becoming aware of any such default, Event of Default or event or condition.

SECTION 1005. Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 1006. Maintenance of Properties.

The Company shall cause all material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 1006 shall prevent the Company from discontinuing the operation or maintenance of any of such properties or disposing of any of them if such discontinuance or disposal is, in the judgment of the Company desirable in the conduct of its business or the business of any Subsidiary.

SECTION 1007. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or

any Subsidiary, in each case, material to the Company and its Subsidiaries, taken as a whole; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which disputed amounts adequate reserves have been made.

SECTION 1008. Limitation on Status as Investment Company.

Neither the Company nor any of its Subsidiaries may become an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), to the extent any are subject to regulation under the Investment Company Act of 1940, as amended, except for Subsidiaries established for the purpose of financing the other operating businesses of the Company or its Subsidiaries.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Right of Redemption.

The Securities may be redeemed at the election of the Company as specified in the form of Security or as specified in Section 1109.

SECTION 1102. Applicability of Article.

Redemption of any series of Securities at the election of the Company, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

SECTION 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Board Resolution of the Company. In case of any redemption at the election of the Company of less than all the Securities of a series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

SECTION 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of a series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than \$1,000.

The Trustee shall promptly notify the Company and each Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1105. Notice of Redemption.

Notice of Redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed, and that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities equal to the unredeemed portions thereof will be issued,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date,

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and

(6) the CUSIP number of the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1106. Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date, subject to the provisions of Section 1109.

SECTION 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, subject to the provisions of Section 1109, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued and unpaid interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid for by the Company at the Redemption Price, together with accrued and unpaid interest to the Redemption Date subject to the provisions of Section 1109; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

SECTION 1108. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company and the Guarantor shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 1109. Redemption to Comply with Gaming Laws.

Notwithstanding the other provisions of this Indenture, if a Holder or beneficial owner of a Security is required to qualify under the Gaming Laws and does not so qualify, the Holder will be obliged, at the request of the Company, to dispose of such Holder's Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authority (in which event the Company's obligation to pay any interest after the receipt of such notice shall be limited as provided in such Gaming Laws), and, thereafter, the Company shall have the right to redeem, on the date fixed by the Company for redemption of such Securities, such Holder's Securities at a redemption price equal to 100% of the principal amount without accrued interest thereon from such date as required by such Gaming Laws. If the Company elects to redeem Securities pursuant to this paragraph, the notice required by Sections 1103 and 1105 shall be deemed properly given, if mailed by the Company at any time prior to such redemption date fixed by the Company.

ARTICLE TWELVE

GUARANTEE

SECTION 1201. Guarantee.

(a) Subject to subsection (b), below, and subject to the provisions of Section 1109, the Guarantor hereby irrevocably and unconditionally guarantees (such guarantee being the "Guarantee") to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture and the Securities hereunder, that: (i) the principal of, premium, if any, and interest on the Securities promptly will be paid in full when due, whether at the maturity or Interest Payment Date, by acceleration, call for redemption or otherwise, and interest on the overdue principal, premium, if any, and interest, if any, of the Securities, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof, and (ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due by the Company of any amount so guaranteed for whatever reason, the Guarantor shall be obligated to pay the same immediately. The Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities and this Indenture. If any Holder or the Trustee is required by any court or otherwise to return to the Company or any custodian, Trustee, liquidator or other similar official acting in relation to the Company, any amount paid by the Company to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any

obligations guaranteed hereby until payment in full of all obligations is guaranteed hereby.

(b) It is the intention of the Guarantor and the Company that the obligations of the Guarantor hereunder shall be, but not in excess of, the maximum amount permitted by applicable law. Accordingly, if the obligations in respect of the Guarantee would be annulled, avoided or subordinated to the creditors of the Guarantor by a court of competent jurisdiction in a proceeding actually pending before such court as a result of a determination both that such Guarantee was made without fair consideration and, immediately after giving effect thereto, the Guarantor was insolvent or unable to pay its debts as they mature or left with an unreasonably small capital, then the obligations of the Guarantor under the Guarantee shall be reduced by such court if such reduction would result in the avoidance of such annulment, avoidance or subordination; provided, however, that any reduction pursuant to this paragraph shall be made in the smallest amount as is strictly necessary to reach such result. For purposes of this paragraph, "fair consideration," "insolvency," "unable to pay its debts as they mature," "unreasonably small capital" and the effective times of reductions, if any, required by this paragraph shall be determined in accordance with applicable law.

(c) The Guarantor shall be subrogated to all rights of the Holders against the Company in respect of any amounts paid by Guarantor pursuant to the provisions of the Guarantee or this Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, premium, if any, and interest on all Securities issued hereunder shall have been paid in full.

SECTION 1202. Execution and Delivery of Guarantee.

To evidence the Guarantee set forth in Section 1201, the Company and the Guarantor hereby agree that a notation of such Guarantee shall be endorsed on each Security authenticated and delivered by the Trustee, that such notation of such Guarantee shall be in such form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate provisions as are required or permitted by this Indenture, and that this Indenture shall be executed on behalf of the Guarantor by its Chairman of the Board, one of its Vice Chairmen of the Board, its President or one of its Vice Presidents under a facsimile of its seal reproduced thereon and attested to by another officer other than the officer executing the Indenture, as the case may be.

The Guarantor hereby agrees that the Guarantee set forth in Section 1201 shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of the Guarantee.

If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Security on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantor.

SECTION 1203. Release of Guarantor.

The Guarantor shall be released from all of its obligations under the Guarantee and under this Indenture if:

(a) (i) the Company or the Guarantor has transferred all or substantially all of its properties and assets to any Person (whether by sale, merger or consolidation or otherwise), or has merged into or consolidated with another Person, pursuant to a transaction in compliance with this Indenture;

(ii) the corporation to whom all or substantially all of the properties and assets of the Company or the Guarantor are transferred, or whom the Company or the Guarantor has merged into or consolidated with, has expressly assumed, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantees and this Indenture;

(iii) immediately before and immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iv) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and

such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(b) the Guarantor liquidates (other than pursuant to any Bankruptcy Law) and complies, if applicable, with the provisions of this Indenture; provided that if a Person and its Affiliates, if any, shall acquire all or substantially all of the assets of the Guarantor upon such liquidation the Guarantor shall liquidate only if:

(i) the Person and each such Affiliate (or the common corporate parent of such Person and its Affiliates, if such Person and its Affiliates are wholly owned by such parent) which acquire or will acquire all or a portion of the assets of the Guarantor shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor, under the Guarantees and this Indenture and such Person or any of such Affiliates (or such parent) shall be a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(iii) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such liquidation and such supplemental indenture comply with this Section 1203 and that all conditions precedent herein provided for relating to such transaction have been complied with; or

(c) the Company ceases for any reason to be a "wholly owned subsidiary" of the Guarantor (as such term is defined in Rule 1-02(z) of the Regulation S-X promulgated by the Commission).

Upon any assumption of the Guarantee by any Person pursuant to this Section, such Person may exercise every right and power of the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the Guarantor, hereunder and under the Guarantees and the Indenture shall terminate.

SECTION 1204. When Guarantor May Merge, etc.

The Guarantor shall not consolidate with or merge with or into any other Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, unless:

(a) either the Guarantor shall be the continuing person, or the Person (if other than the Guarantor) formed by such consolidation or into which the Guarantor is merged or to which the assets of the Guarantor are transferred shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Guarantor under the Guarantee and this Indenture;

(b) immediately after giving effect to such transaction, no Event of Default, and no event or condition which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance or lease and such supplemental indenture comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any sale, conveyance or lease of all or substantially all of the assets of the Guarantor, in accordance with this Section, the successor corporation formed by such consolidation or into which the Guarantor is merged or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of,

the Guarantor under this Indenture with the same effect as if such successor corporation had been named as the Guarantor herein, and all the obligations of the predecessor Guarantor hereunder and under the Guarantee and the Indenture shall terminate.

ARTICLE THIRTEEN

SUBORDINATION OF SECURITIES

SECTION 1301. Securities Subordinated to Senior Debt.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of any Securities, by his or its acceptance thereof, likewise covenants and agrees, that the indebtedness evidenced by the Securities (and any renewals or extensions thereof), including the principal of, premium, if any, and interest thereon and any interest payable on such interest, and requirements that the Company make repurchases or redemptions shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Senior Debt, and that each holder of Senior Debt whether now outstanding or hereafter created, incurred, assumed or guaranteed shall be deemed to have acquired Senior Debt in reliance upon the covenants and provisions contained in this Indenture and the Securities.

SECTION 1302. Securities Subordinated to Prior Payment of All Senior Debt on Dissolution, Liquidation, Reorganization, etc. of the Company.

Upon any payment or distribution of the assets of the Company of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Securities) to creditors upon any dissolution, winding-up, total or partial liquidation, reorganization, or recapitalization or readjustment of the Company or its property or securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation, or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Company or otherwise), then in such event,

(i) all holders of Senior Debt shall first be entitled to receive payment in full in cash or Cash Equivalents, before any payment is made on account of the principal, premium, if

any, or interest on the indebtedness evidenced by the Securities or in respect of the Redemption Price;

(ii) any payment or distribution of assets of the Company, of any kind or character, whether in cash, property or securities (other than Capital Stock of the Company), to which the Holders, or the Trustee on behalf of the Holders, would be entitled except for the provisions of this Article Thirteen, shall be paid or delivered by any debtor or other person making such payment or distribution, directly to the holders of the Senior Debt or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 1302, any payment or distribution of assets of the Company, whether in cash, property or securities (other than Capital Stock of the Company), shall be received by the Trustee or the Holders before all Senior Debt is paid in full, such payment or distribution (subject to the provisions of Sections 1306 and 1307) shall be held in trust for the benefit of, and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Senior Debt remaining unpaid or unprovided for, or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

The Company shall give prompt written notice to the Trustee and any Paying Agent of any action or plan of dissolution, winding-up, liquidation or reorganization of the Company or any other facts known to it which would cause a payment to violate this Article Thirteen.

Upon any payment or distribution of assets of the Company, referred to in this Article Thirteen, the Trustee, subject to the provisions of Section 601 and Section 603, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceeding is pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Debt and other Debt of the Company, the amount thereof payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Thirteen.

SECTION 1303. Holders of Securities to be Subrogated to Right of Holders of Senior Debt.

Subject to the payment in full of all Senior Debt in cash or Cash Equivalents, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all Debt of the Company that, by its terms, is not superior in right of payment to the Securities and ranks on a parity with the Securities) to the rights of the holders of Senior Debt to receive payments or distributions of assets of the Company applicable to the Senior Debt until the principal of, premium, if any, and interest on, the Securities, including the Redemption Price, if applicable, shall be paid in full, and for purposes of such subrogation, no payments or distributions to the holders of Senior Debt of assets, whether in cash, property or securities, distributable to the holders of Senior Debt under the provisions hereof to which the Holders would be entitled except for the provisions of this Article Thirteen, and no payment over pursuant to the provisions of this Article Thirteen to the holders of Senior Debt by the Holders shall, as between the Company, its creditors (other than the holders of Senior Debt) and the Holders, be deemed to be a payment by the Company to or on account of Senior Debt, it being understood that the provisions of this Article Thirteen are, and are intended, solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Debt, on the other hand.

SECTION 1304. Obligations of the Company Unconditional.

Nothing contained in this Article Thirteen or elsewhere in this Indenture or in any Security (but subject to the provisions of Section 1109) is intended to or shall impair or affect, as between the Company, its creditors (other than the holders of Senior Debt) and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest on, the Securities, and the Redemption Price, as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Debt, nor shall anything herein or therein prevent or limit the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon the happening of an Event of Default hereunder, subject to the provisions of Article Five hereof and to the rights, if any, under this Article Thirteen of the holders of Senior Debt in respect of assets, whether in cash, property or securities, of the Company received upon the exercise of any such remedy. Nothing contained in this Article Thirteen or elsewhere in this Indenture or in the Securities, shall, except during the pendency of any dissolution, winding-up, total or partial liquidation, reorganization, recapitalization or readjustment of the Company or its securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of assets and liabilities of the Company or otherwise), affect the obligation of the Company to make, or prevent the Company from making, at any time (except under the circumstances described in Section 1305 hereof), payment of principal of, premium, if any, or interest on, the Securities, or the Redemption Price in respect of any Securities.

SECTION 1305. Company Not to Make Payments With Respect to Securities in Certain Circumstances.

(a) Upon the maturity of any Senior Debt by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and all other obligations in respect thereof shall first be paid in full in cash or Cash Equivalents, or such payment duly provided for, and, in the case of Senior Debt in respect of letters of credit to the extent they have not been drawn upon, be fully secured by cash collateral, before any payment is made on account of principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

(b) Upon the happening of an event of default (as such term is used in such instrument) in respect of the payment of any Senior Debt ("Payment Default"), then, unless and until such default shall have been cured or waived by the holders of such Senior Debt or shall have ceased to exist, no payment shall be made by the Company with respect to the principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

(c) Upon the happening of a default or an event of default with respect to any Senior Debt as such terms are used in such instruments, other than a default in payment of the principal of, premium, if any, or interest on the Senior Debt, or if an event of default would result upon any payment with respect to the Securities, upon written notice of (i) the default given to the Company, the Guarantor and the Trustee by holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or (ii) the event of default given to the Company, the Guarantor and the Trustee by the holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or by holders of a majority in principal amount of any outstanding class of Senior Debt or its representative after such time as there is no Designated Senior Debt outstanding, then, unless and until such default or event of default has been cured or waived or otherwise has ceased to exist, no payment may be made by the Company with respect to the principal of, premium, if any, or interest on the Securities in cash or property, or to acquire or repurchase any of the Securities for cash or property, or on account of the redemption provisions of the Securities. Notwithstanding the foregoing, unless the Designated Senior Debt or Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default, within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, the Company is required then to pay all sums not paid to the Holders of the Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Securities. Any number of such notices may be given; provided, however, that (i) during any 360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days during each continuous 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

In the event that, notwithstanding the foregoing provisions of this Section 1305, any payment or distribution of assets of the Company, whether in cash, property or securities (other than Capital Stock of the Company), shall be received by the Trustee or the Holders at a time when such payment or distribution should not have been made because of Section 1305, such payment or distribution (subject to the provisions of Sections 1306 and 1307) shall be held in trust for the benefit of the holders of, and shall be paid or delivered by the Trustee or such Holders, as the case may be, to the holders of the Senior Debt remaining unpaid or unprovided for or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

SECTION 1306. Trustee Entitled to Assume Payments Not Prohibited in
Absence of Notice.

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee, unless and until the Trustee shall have received written notice thereof at its Corporate Trust Office from the Company or the Guarantor or from one or more holders of Senior Debt or from any representative thereof or trustee therefor, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 601 and 603 hereof, shall be entitled to assume conclusively that no such facts exist, and shall be fully protected in making any such payment in any such event.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself or itself to be a holder of Senior Debt (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of Senior Debt or a trustee on behalf of any such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Debt to participate in any payment or distribution pursuant to this Article Thirteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article Thirteen, and, if such evidence is not furnished, the

Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 1307. Application by Trustee of Monies Deposited With It.

Any deposit of monies by the Company with the Trustee or any Paying Agent (whether or not in trust) for the payment of the principal of, premium, if any, or interest on, any Securities or the Redemption Price in respect of any Securities shall be subject to the provisions of Sections 1301, 1302, 1303 and 1305 hereof, except that, if prior to the opening of business on the second Business Day next prior to the date on which, by the terms of this Indenture, any such monies may become payable for any purpose (including, without limitation, the payment of principal of, premium, if any, or interest on, or the Redemption Price in respect of, any Security) the Trustee shall not have received with respect to such monies the notice provided for in Section 1306, then the Trustee shall have the full power and authority to receive such monies and to apply such monies to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; without, however, limiting any rights that holders of Senior Debt may have to recover any such payments from the Holders in accordance with the provisions of this Article Thirteen.

SECTION 1308. Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Debt.

No right of any present or future holder of any Senior Debt to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Company with the terms, provisions and covenants of this Indenture, the Securities, or any other agreement or instrument regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Each Holder of any Securities, by his acceptance thereof, undertakes and agrees for the benefit of each holder of Senior Debt to execute, verify, deliver and file any proofs of claim, consents, assignments or other instruments that any holder of Senior Debt may at any time require in order to prove and realize upon any rights or claims pertaining to the Securities and to effectuate the full benefit of the subordination contained in this Article Thirteen, and upon failure of any Holder of any Security so to do, any such holder of Senior Debt (or a trustee or representative on its behalf) shall be deemed to be irrevocably appointed the agent and attorney-in-fact of the Holder

of such Security to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instrument.

Without limiting the effect of the first paragraph of this Section 1308, any holder of Senior Debt may at any time and from time to time without the consent of or notice to any Holder, without impairing or releasing any of the rights of any such holder of Senior Debt hereunder, upon or without any terms or conditions and in whole or in part:

(1) change the manner, place or terms of payment, or change or extend the time of payment of or increase the amount of, renew or alter, any Senior Debt or any other liability of the Company to such holder, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the provisions hereof shall apply to the Senior Debt of such holder as so changed, extended, renewed or altered;

(2) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or however securing, any Senior Debt or any other liability of the Company to such holder or any other liabilities incurred directly or indirectly in respect thereof or hereof, or any offset against it;

(3) exercise or refrain from exercising any rights or remedies against the Company or others or otherwise act or refrain from acting or for any reason fail to file, record or otherwise perfect any security interest in or lien on any property of the Company or any other Person;

(4) settle or compromise any Senior Debt or any other liability of the Company to such holder or any security therefor, or any liability incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Company to creditors of the Company other than such holder; and

(5) apply any sums by whomsoever paid and however realized to any liability or liabilities of the Company to such holder (other than in respect of the Securities or any

liability or liabilities which rank pari passu or junior in right of payment to the Securities) regardless of what liability or liabilities of the Company to such holder remain unpaid.

SECTION 1309. Holders of Securities Authorize Trustee to Effectuate Subordination of Securities.

Without purporting to limit the authority of the Trustee as may be appropriate in other circumstances, each Holder by his or its acceptance thereof irrevocably authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Thirteen and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding-up or liquidation or reorganization under Bankruptcy Law of the Company (whether in bankruptcy, insolvency or receivership proceedings or otherwise), the timely filing of a claim for the unpaid balance of its or his Securities in the form required in such proceedings and the causing of such claim to be approved. If the Trustee does not file a claim or proof of debt substantially in the form required in such proceeding at least one day before the expiration of the time to file such claims or proofs, then any of the holders of Senior Debt have the right to file such proof of claim or debt on behalf of the Holders, and to take any action with respect to such proof of claim or debt permitted to be taken by the holders of Senior Debt pursuant to this Indenture, the Securities or by law; provided, however, that no such action by holders of Senior Debt shall in any way limit or affect the rights of the Holders or the Trustee hereunder or under the Securities or applicable law.

SECTION 1310. Right of Trustee to Hold Senior Debt; Preservation of Trustee's Rights.

The Trustee, in its individual capacity, shall be entitled to all of the rights set forth in this Article Thirteen in respect of any Senior Debt at any time held by it to the same extent as any other holder of Senior Debt, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder. Nothing in this Article Thirteen shall apply to claims of, or payment to, the Trustee under or pursuant to Section 607.

SECTION 1311. Article Thirteen Not to Prevent Events of Default.

The failure to make a payment on account of principal of, premium, if any, or interest on, the Securities or Redemption Price in respect

of the Securities, by reason by any provision in this Article Thirteen shall not be construed as preventing the occurrence of an Event of Default under Section 501 hereof.

SECTION 1312. Trustee Not Fiduciary for Holders of Senior Debt.

The provisions of this Indenture are not intended to create, nor shall they create, any trust or fiduciary relationship between the Trustee and the holders of Senior Debt, nor shall any implied covenants or obligations with respect to holders of Senior Debt (other than those expressly set forth herein) be read into this Indenture against the Trustee. Accordingly, notwithstanding any provision of this Article Thirteen to the contrary, the Trustee shall not be liable to any such holders if it shall, in good faith, inadvertently pay over or distribute to Holders or the Company or any other person monies or assets to which any holders of Senior Debt shall be entitled by virtue of this Article Thirteen or otherwise.

SECTION 1313. Trust Monies Not Subordinated.

Notwithstanding anything contained herein to the contrary and subject to the prior satisfaction of all of the conditions set forth in Section 401, payments from money held in trust under Article Four by the Trustee for the payment of principal of, premium, if any, or interest on, the Securities, or the Redemption Price in respect of the Securities shall not be subordinated to the prior payment of any Senior Debt of the Company or subject to the restrictions set forth in this Article Thirteen and none of the Holders shall be obligated to pay over any such amount to the Company or any holder of Senior Debt of the Company or any other creditor of the Company.

ARTICLE FOURTEEN

SUBORDINATION OF GUARANTEE

SECTION 1401. Guarantee Subordinated to Guarantor Senior Debt.

The Guarantor, for itself, its successors and assigns, covenants and agrees, and each Holder of any Securities, by his or its acceptance thereof, likewise covenants and agrees, that payments by the Guarantor in respect of the Guarantee shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Guarantor Senior Debt, and that each holder of Guarantor

Senior Debt whether now outstanding or hereafter created, incurred, assumed or guaranteed shall be deemed to have acquired Guarantor Senior Debt in reliance upon the covenants and provisions contained in this Indenture and the Securities. For purposes of this Article Fourteen, "payment in respect of the Guarantee" means any payment made by or on behalf of the Guarantor in respect of the Guarantee, including, but not limited to, any payment on account of the principal of, premium, if any, or interest on the Securities in cash or property or to acquire or repurchase any of the Securities or on account of the redemption provisions of the Securities.

SECTION 1402. Guarantee Subordinated to Prior Payment of All Guarantor Senior Debt on Dissolution, Liquidation, Reorganization, etc. of the Guarantor.

Upon any payment or distribution of the assets of the Guarantor of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Securities) to creditors upon any dissolution, or winding-up, or total or partial liquidation, or reorganization, or recapitalization or readjustment of the Guarantor or its property or securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation, or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Guarantor or otherwise), then in such event,

(i) the holders of all Guarantor Senior Debt shall first be entitled to receive payment in full in cash or Cash Equivalents before any payment in respect of the Guarantee is made;

(ii) any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities (other than Capital Stock of the Guarantor), to which the Holders, or the Trustee on behalf of the Holders, would be entitled except for the provisions of this Article Fourteen, shall be paid or delivered by any debtor or other person making such payment or distribution, directly to the holders of the Guarantor Senior Debt or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Guarantor Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Guarantor Senior Debt held or represented by each, for

application to payment of all Guarantor Senior Debt remaining unpaid, to the extent necessary to pay all Guarantor Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Debt; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 1402, any payment or distribution of assets of the Guarantor of any kind or character, whether in cash, property or securities (other than Capital Stock of the Guarantor), shall be received by the Trustee or the Holders before all Guarantor Senior Debt is paid in full, such payment or distribution (subject to the provisions of Sections 1406 and 1407) shall be held in trust for the benefit of, and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Guarantor Senior Debt remaining unpaid or unprovided for, or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Guarantor Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Guarantor Senior Debt held or represented by each, for application to the payment of all Guarantor Senior Debt remaining unpaid, to the extent necessary to pay all Guarantor Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Debt.

The Guarantor shall give prompt notice to the Trustee and any Paying Agent of any dissolution, winding-up, liquidation or reorganization of the Guarantor or any other facts known to it which would cause a payment to violate this Article Fourteen.

Upon any payment or distribution of assets of the Guarantor referred to in this Article Fourteen, the Trustee, subject to the provisions of Section 601 and Section 603, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceeding is pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Guarantor Senior Debt and other Debt of the Guarantor, the amount thereof

payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen.

SECTION 1403. Holders of Securities to be Subrogated to Right of Holders of Guarantor Senior Debt.

Subject to the payment in full of all Guarantor Senior Debt in cash or Cash Equivalents, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all Debt of the Guarantor that, by its terms, is not superior in right of payment to the Guarantee and ranks on a parity with the Guarantee) to the rights of the holders of Guarantor Senior Debt to receive payments or distributions of assets of the Guarantor applicable to the Guarantor Senior Debt until the principal of, premium, if any, and interest on, the Securities, including the Redemption Price, if any, shall be paid in full, and for purposes of such subrogation, no payments or distributions to the holders of Guarantor Senior Debt of assets, whether in cash, property or securities, distributable to the holders of Guarantor Senior Debt under the provisions hereof to which the Holders would be entitled except for the provisions of this Article Fourteen, and no payment over pursuant to the provisions of this Article Fourteen to the holders of Guarantor Senior Debt by the Holders shall, as between the Guarantor, its creditors (other than the holders of Guarantor Senior Debt) and the Holders, be deemed to be a payment by the Guarantor to or on account of Guarantor Senior Debt, it being understood that the provisions of this Article Fourteen are, and are intended, solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Guarantor Senior Debt, on the other hand.

SECTION 1404. Obligations of the Guarantor Unconditional.

Nothing contained in this Article Fourteen or elsewhere in this Indenture or in any Security (but subject to the provisions of Section 1109) is intended to or shall impair or affect, as between the Guarantor, its creditors (other than the holders of Guarantor Senior Debt) and the Holders, the obligation of the Guarantor under the Guarantee, or to affect the relative rights of the Holders and creditors of the Guarantor, other than the holders of Guarantor Senior Debt, nor shall anything herein or therein prevent or limit the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon the happening of an Event of Default hereunder, subject to the provisions of Article Five hereof and to the rights, if any, under this Article Fourteen of the holders of Guarantor Senior Debt in respect of assets, whether in cash, property or securities, of the Guarantor, received upon the

exercise of any such remedy. Nothing contained in this Article Fourteen or elsewhere in this Indenture or in the Securities, shall, except during the pendency of any dissolution, winding-up, total or partial liquidation, reorganization, recapitalization or readjustment of the Guarantor or its securities (whether voluntary or involuntary, or in bankruptcy, insolvency, reorganization, liquidation or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of assets and liabilities of the Guarantor or otherwise), affect the obligation of the Guarantor to make, or prevent the Guarantor from making, at any time (except under the circumstances described in Section 1405 hereof), any payment in respect of the Guarantee.

SECTION 1405. Guarantor Not to Make Payments in Respect of the Guarantee in Certain Circumstances.

(a) Upon the maturity of any Guarantor Senior Debt by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and all other obligations in respect thereof shall first be paid in full in cash or Cash Equivalents, or such payment duly provided for, and, in the case of Guarantor Senior Debt in respect of letters of credit to the extent they have not been drawn upon, be fully secured by cash collateral, before any payment in respect of the Guarantee is made.

(b) Upon the happening of an event of default (as such term is used in such instrument) in respect of the payment of any Guarantor Senior Debt ("Payment Default"), then, unless and until such default shall have been cured or waived by the holders of such Guarantor Senior Debt or shall have ceased to exist, no payment in respect of the Guarantee shall be made.

(c) Upon the happening of a default or an event of default with respect to any Guarantor Senior Debt as such terms are used in such instruments, other than a default in payment of the principal of, premium, if any, or interest on the Guarantor Senior Debt, or if an event of default would result upon any payment pursuant to the Guarantee with respect to the Securities, upon written notice of (i) the default given to the Company, the Guarantor and the Trustee by holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or (ii) the event of default given to the Company, the Guarantor and the Trustee by the holders of Designated Senior Debt representing a majority of the principal amount thereof or their representative, or by holders of a majority in principal amount of any outstanding class of Guarantor Senior Debt or its representative after such time as there is no Designated Senior Debt outstanding, then, unless

and until such default or event of default has been cured or waived or otherwise has ceased to exist, no payment in respect of the Guarantee may be made. Notwithstanding the foregoing, unless the Designated Senior Debt or Guarantor Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default, within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, the Guarantor is required then to pay all sums not paid to the Holders of the Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Securities. Any number of such notices may be given; provided, however, that (i) during any 360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days during each continuous 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

SECTION 1406. Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice.

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee, unless and until the Trustee shall have received written notice thereof at its Corporate Trust Office from the Company or the Guarantor or from one or more holders of Guarantor Senior Debt or from any representative thereof or trustee therefor, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 601 and 603 hereof, shall be entitled to assume conclusively that no such facts exist, and shall be fully protected in making any such payment in any such event.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself or itself to be a holder of Guarantor Senior Debt (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of Guarantor Senior Debt or a trustee on behalf of any such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Guarantor Senior Debt to participate in any payment or distribution pursuant to this Article Fourteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Guarantor Senior Debt held by such Person, the extent to which

such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article Fourteen, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 1407. Application by Trustee of Monies Deposited With It.

Any deposit of monies by the Guarantor with the Trustee or any Paying Agent (whether or not in trust) for any payment in respect of the Guarantee shall be subject to the provisions of Sections 1401, 1402, 1403 and 1405 hereof except that, if prior to the opening of business on the second Business Day next prior to the date on which, by the terms of this Indenture, any such monies may become payable for any purpose (including, without limitation, the payment of principal of, or premium (if any) or interest on, or the Redemption Price in respect of, any Security) the Trustee shall not have received with respect to such monies the notice provided for in Section 1406, then the Trustee shall have the full power and authority to receive such monies and to apply such monies to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; without, however, limiting any rights that holders of Guarantor Senior Debt may have to recover any such payments from the Holders in accordance with the provisions of this Article Fourteen.

SECTION 1408. Subordination Rights Not Impaired by Acts or Omissions of Guarantor or Holders of Guarantor Senior Debt.

No right of any present or future holder of any Guarantor Senior Debt to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of Guarantor or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Guarantor with the terms, provisions and covenants of this Indenture, the Securities, or any other agreement or instrument regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Each Holder of any Securities, by his acceptance thereof, undertakes and agrees for the benefit of each holder of Guarantor Senior Debt to execute, verify, deliver and file any proofs of claim, consents, assignments or other instruments that any holder of Guarantor Senior Debt may at any time require in order to prove and realize upon any rights or claims pertaining to the Guarantee and to effectuate the full benefit of the subordination contained

in this Article Fourteen; and upon failure of any Holder of any Security so to do, any such holder of Guarantor Senior Debt (or a trustee or representative on its behalf) shall be deemed to be irrevocably appointed the agent and attorney-in-fact of the Holder of such Security to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instrument.

Without limiting the effect of the first paragraph of this Section 1408, any holder of Guarantor Senior Debt may at any time and from time to time without the consent of or notice to any Holder, without impairing or releasing any of the rights of any such holder of Guarantor Senior Debt hereunder, upon or without any terms or conditions and in whole or in part:

(1) change the manner, place or terms of payment, or change or extend the time of payment of or increase the amount of, renew or alter, any Guarantor Senior Debt or any other liability of the Guarantor to such holder, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the provisions hereof shall apply to the Guarantor Senior Debt of such holder as so changed, extended, renewed or altered;

(2) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or however securing, any Guarantor Senior Debt or any other liability of the Guarantor to such holder or any other liabilities incurred directly or indirectly in respect thereof or hereof, or any offset against it;

(3) exercise or refrain from exercising any rights or remedies against the Guarantor or others or otherwise act or refrain from acting or for any reason fail to file, record or otherwise perfect any security interest in or lien on any property of the Guarantor or any other Person;

(4) settle or compromise any Guarantor Senior Debt or any other liability of the Company to such holder or any security therefor, or any liability incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Guarantor to creditors of the Guarantor other than such holder; and

(5) apply any sums by whomsoever paid and however realized to any liability or liabilities of the Guarantor to such holder (other than in respect of the Guarantee or any liability or liabilities which rank pari passu or junior in right of payment to the Guarantee) regardless of what liability or liabilities of the Guarantor to such holder remain unpaid.

SECTION 1409. Holders of Securities Authorize Trustee to Effectuate Subordination of Guarantee.

Without purporting to limit the authority of the Trustee as may be appropriate in other circumstances, each Holder by his or its acceptance thereof irrevocably authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Fourteen and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding-up or liquidation or reorganization under Bankruptcy Law of the Guarantor (whether in bankruptcy, insolvency or receivership proceedings or otherwise), the timely filing of a claim for the unpaid balance of its or his Securities in the form required in such proceedings and the causing of such claim to be approved. If the Trustee does not file a claim or proof of debt substantially in the form required in such proceeding at least one day before the expiration of the time to file such claims or proofs, then any of the holders of Guarantor Senior Debt have the right to file such proof of claim or debt on behalf of the Holders, and to take any action with respect to such proof of claim or debt permitted to be taken by the holders of Guarantor Senior Debt pursuant to this Indenture, the Securities or by law; provided, however, that no such action by holders of Guarantor Senior Debt shall in any way limit or affect the rights of the Holders or the Trustee hereunder or under the Guarantee or applicable law.

SECTION 1410. Right of Trustee to Hold Guarantor Senior Debt; Preservation of Trustee's Rights.

The Trustee, in its individual capacity, shall be entitled to all of the rights set forth in this Article Fourteen in respect of any Guarantor Senior Debt at any time held by it to the same extent as any other holder of Guarantor Senior Debt, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder. Nothing in this Article Fourteen shall apply to claims of, or payment to, the Trustee under or pursuant to Section 607.

SECTION 1411. Article Fourteen Not to Prevent Events of Default.

The failure to make a payment in respect of the Guarantee, by reason by any provision in this Article Fourteen shall not be construed as preventing the occurrence of an Event of Default under Section 501 hereof.

SECTION 1412. Trustee Not Fiduciary for Holders of Guarantor Senior Debt.

The provisions of this Indenture are not intended to create, nor shall they create, any trust or fiduciary relationship between the Trustee and the holders of Guarantor Senior Debt, nor shall any implied covenants or obligations with respect to holders of Guarantor Senior Debt (other than those expressly set forth herein) be read into this Indenture against the Trustee. Accordingly, notwithstanding any provision of this Article Fourteen to the contrary, the Trustee shall not be liable to any such holders if it shall, in good faith, inadvertently pay over or distribute to Holders or the Guarantor or any other person monies or assets to which any holders of Guarantor Senior Debt shall be entitled by virtue of this Article or otherwise.

SECTION 1413. Trust Monies Not Subordinated.

Notwithstanding anything contained herein to the contrary and subject to the prior satisfaction of all of the conditions set forth in Section 401, payments from money held in trust under Article Four by the Trustee for any payment in respect of the Guarantee shall not be subordinated to the prior payment of any Guarantor Senior Debt of the Guarantor or subject to the restrictions set forth in this Article Fourteen and none of the Holders shall be obligated to pay over any such amount to the Guarantor or any holder of Guarantor Senior Debt of the Guarantor or any other creditor of the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

HARRAH'S OPERATING COMPANY, INC.

By: _____

Name:
Title:

Attest:

[Seal] By: _____

Name:
Title:

HARRAH'S ENTERTAINMENT, INC.

[Seal] By: _____

Name:
Title:

By: _____

Name:
Title:

NATIONSBANK OF TENNESSEE, N.A.

[Seal] By: _____

Name:
Title:

By: _____

Name:
Title:

HARRAH'S ENTERTAINMENT, INC.
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (a)
 (In thousands, except ratio amounts)

	Six Months Ended June 30, 1995	Fiscal Year				
		1994	1993	1992	1991	1990
Income from continuing operations.....	\$64,047	\$ 49,984	\$ 74,867	\$ 49,577	\$ 34,499	\$ 30,707
Add:						
Provision for income taxes.....	43,596	75,391	59,394	35,479	24,566	23,505
Interest expense.....	45,629	78,322	73,080	77,571	92,169	88,263
Interest included in rental expense.....	3,146	5,244	7,207	3,648	3,801	3,936
Amortization of capitalized interest.....	287	628	892	311	1,655	276
(Income) or loss from equity investments.....	-	-	(89)	167	-	-
Adjustment to include 100% of nonconsolidated, majority-owned subsidiary (b).....	(10,840)	(9,397)	-	-	-	-
Earnings as defined.....	\$145,865	\$200,172	\$215,351	\$166,753	\$156,690	\$146,687
Fixed charges:						
Interest expense.....	\$ 45,629	\$ 78,322	\$ 73,080	\$ 77,571	\$92,169	\$ 88,263
Capitalized interest.....	1,282	3,764	3,107	2,297	1,558	4,542
Interest included in rental expense.....	3,146	5,244	7,207	3,648	3,801	3,936
Adjustment to include 100% of nonconsolidated, majority-owned subsidiary (b).....	29,805	15,110	-	-	-	-
Total fixed charges.....	\$ 79,862	\$102,440	\$ 83,394	\$83,516	\$97,528	\$96,741
Ratio of earnings to fixed charges.....	1.8	2.0	2.6	2.0	1.6	1.5

(a) As disclosed in Note 12 to the consolidated financial statements in the 1994 Harrah's Entertainment Form 10-K/A, the Company has guaranteed certain third party loans. To date, the Company has not been required to perform under such guarantees and, as a result, has not included the fixed charges associated with these guarantees in the computation of these ratios. The estimated amounts of such fixed charges for the six months ended June 30, 1995 and fiscal year 1994 were \$4.3 million and \$6.0 million, respectively.

(b) The Company owns a majority interest in Harrah's Jazz Company. However, voting control is shared equally among the three partners. As a result, Harrah's Jazz is not consolidated into the Company's financial statements. As required by Item 503.(d)(2), the Company's ratio of earnings to fixed charges computation has been adjusted to include all of Harrah's Jazz financial results and all of its fixed charges.

[ARTHUR ANDERSEN LLP LETTERHEAD]

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated March 20, 1995 included in The Promus Companies Incorporated's Annual Report on Form 10-K, and Promus's Amended Annual Report on Form 10-K/A, for the year ended December 31, 1994, and to all references to our Firm included in this registration statement.

Arthur Andersen LLP

Memphis, Tennessee,
September 20, 1995.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form T-1
STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939 OF A CORPORATION

DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE

PURSUANT TO SECTION 305(b)(2)

NATIONSBANK OF TENNESSEE, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

62-0167464
(I.R.S. employer identification no.)

One NationsBank Plaza
Nashville, Tennessee 37239-1697
(Address of principal executive offices) (Zip Code)

John T. Henderson
NationsBank of Georgia, National Association
Area Administration
6000 Feldwood Road
College Park, Georgia 30349
(404) 774-6074
(Name, Address and telephone number of agent for service)

with a copy to:
NationsBank of Tennessee, National Association
One NationsBank Plaza
Nashville, TN 37239-1697
Attention: Corporate Trust

HARRAH'S ENTERTAINMENT, INC.
(Exact name of obligor as specified in its charter)

Delaware 62-1411755
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

HARRAH'S OPERATING COMPANY, INC.
(Exact name of obligor as specified in its charter)

Delaware 75-1941623
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

1023 Cherry Road
Memphis, Tennessee 38117
(901) 762-8600

(Address, including zip code, and telephone number,
including area code, of principal executive office)

% Senior Secured Notes due
(Title of the indenture securities)

1. General Information

Furnish the following information as to the trustee-

(a) Name and address of each examining or supervising
authority to which it is subject.

The Comptroller of the Currency,
Washington, D.C.

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia

Federal Deposit Insurance Corporation
Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

List below all exhibits filed as a part of this statement of eligibility.

- (1) A copy of the Articles of Association of the trustee as now in effect. (See Exhibit 1 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (2) A copy of the certificate of authority of the trustee to commence business. (See Exhibit 2 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (3) A copy of the authorization of the trustee to exercise corporate trust powers. (See Exhibit 3 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (4) A copy of the existing by-laws of the trustee, as amended to date. (See Exhibit 4 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)

- (6) The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939.
- (7) A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, NationsBank of Tennessee, National Association, a corporation organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Nashville and the State of Tennessee, on the 18th day of September, 1995.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 6 TO FORM T-1

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939 in connection with the proposed issuance of up to \$200,000,000 of % Senior Secured Notes due by Harrah's Operating Company, Inc. to be issued under the Indenture, NationsBank of Tennessee, National Association hereby consents that reports of examinations by Federal, State, Territorial or District Authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 7 TO FORM T-1

Comptroller of the Currency
 Administrator of National Banks

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the
 NATIONS BANK OF TENNESSEE, N.A. OF NASHVILLE, in the State of
 Tennessee, at the close of business on June 30, 1995 published in
 response to call made by Comptroller of the Currency, under Title
 12, United States Code, Section 161. Charter Number 17561,
 Comptroller of the Currency, Third District.

Statement of Resources and Liabilities Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin . . .	416,613
Securities	
Held-to-maturity securities	628,133
Available-for-sale securities	17,030
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds sold	308,085
Loans and lease financing receivables:	
Loans and leases, net of unearned income	3,744,578
LESS: Allowance for loan and lease losses	50,803
Loans and leases, net of unearned income, allowance, and reserve	3,693,775
Premises and fixed assets (including capitalized leases)	65,156
Other real estate owned	3,557
Customers' liability to this bank on acceptances outstanding	6,380
Intangible assets	323
Other assets	69,978
Total assets	5,209,030

LIABILITIES

Deposits:	
In domestic offices	4,203,630
Noninterest-bearing	883,514
Interest-bearing	3,320,116
Interest-bearing deposits in foreign offices.	99,379
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds purchased	324,538
Securities sold under agreements to repurchase.	0
Demand notes issued to the U.S. Treasury	49,950
Other borrowed money:	
With original maturity of one year or less.	30,754
With original maturity of more than one year 1,965.	
Bank's liability on acceptances outstanding	6,380
Other liabilities	74,776
Total liabilities	4,791,372

EQUITY CAPITAL

Common Stock	55,583
Surplus	96,987
Undivided profits and capital reserves	264,704
Net unrealized (losses) on available-for-sale securities	384
Total equity capital	417,658
Total liabilities, limited-life preferred stock, and equity capital	5,209,030

We, the undersigned directors (Trustees), attest to the correctness of this Report of Condition. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Owen G. Shell, Jr.
Herbert M. Shayne Directors
Jerry L. Benefield

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form T-1
STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939 OF A CORPORATION

DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE

PURSUANT TO SECTION 305(b)(2)

NATIONSBANK OF TENNESSEE, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

62-0167464
(I.R.S. employer identification no.)

One NationsBank Plaza
Nashville, Tennessee 37239-1697
(Address of principal executive offices) (Zip Code)

John T. Henderson
NationsBank of Georgia, National Association
Area Administration
6000 Feldwood Road
College Park, Georgia 30349
(404) 774-6074
(Name, Address and telephone number of agent for service)

with a copy to:
NationsBank of Tennessee, National Association
One NationsBank Plaza
Nashville, TN 37239-1697
Attention: Corporate Trust

HARRAH'S ENTERTAINMENT, INC.
(Exact name of obligor as specified in its charter)

Delaware 62-1411755
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

HARRAH'S OPERATING COMPANY, INC.
(Exact name of obligor as specified in its charter)

Delaware 75-1941623
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

1023 Cherry Road
Memphis, Tennessee 38117
(901) 762-8600

(Address, including zip code, and telephone number,
including area code, of principal executive office)

% Senior Notes due
(Title of the indenture securities)

1. General Information

Furnish the following information as to the trustee-

(a) Name and address of each examining or supervising
authority to which it is subject.

The Comptroller of the Currency,
Washington, D.C.

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia

Federal Deposit Insurance Corporation
Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

List below all exhibits filed as a part of this statement of eligibility.

- (1) A copy of the Articles of Association of the trustee as now in effect. (See Exhibit 1 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (2) A copy of the certificate of authority of the trustee to commence business. (See Exhibit 2 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (3) A copy of the authorization of the trustee to exercise corporate trust powers. (See Exhibit 3 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (4) A copy of the existing by-laws of the trustee, as amended to date. (See Exhibit 4 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)

- (6) The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939.
- (7) A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, NationsBank of Tennessee, National Association, a corporation organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Nashville and the State of Tennessee, on the 18th day of September, 1995.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 6 TO FORM T-1

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939 in connection with the proposed issuance of up to \$200,000,000 of % Senior Notes due by Harrah's Operating Company, Inc. to be issued under the Indenture, NationsBank of Tennessee, National Association hereby consents that reports of examinations by Federal, State, Territorial or District Authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 7 TO FORM T-1

Comptroller of the Currency
 Administrator of National Banks

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the
 NATIONSBANK OF TENNESSEE, N.A. OF NASHVILLE, in the State of
 Tennessee, at the close of business on June 30, 1995 published in
 response to call made by Comptroller of the Currency, under Title
 12, United States Code, Section 161. Charter Number 17561,
 Comptroller of the Currency, Third District.

Statement of Resources and Liabilities Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin. . .	416,613
Securities	
Held-to-maturity securities	628,133
Available-for-sale securities	17,030
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds sold	308,085
Loans and lease financing receivables:	
Loans and leases, net of unearned income.	3,744,578
LESS: Allowance for loan and lease losses	50,803
Loans and leases, net of unearned income, allowance, and reserve	3,693,775
Premises and fixed assets (including capitalized leases)	65,156
Other real estate owned	3,557
Customers' liability to this bank on acceptances outstanding	6,380
Intangible assets	323
Other assets	69,978
Total assets	5,209,030

LIABILITIES

Deposits:		
In domestic offices		4,203,630
Noninterest-bearing	883,514	
Interest-bearing	3,320,116	
Interest-bearing deposits in foreign offices.		99,379
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:		
Federal funds purchased		324,538
Securities sold under agreements to repurchase.		0
Demand notes issued to the U.S. Treasury		49,950
Other borrowed money:		
With original maturity of one year or less.		30,754
With original maturity of more than one year		
1,965.		
Bank's liability on acceptances outstanding		6,380
Other liabilities		74,776
Total liabilities		4,791,372

EQUITY CAPITAL

Common Stock		55,583
Surplus		96,987
Undivided profits and capital reserves		264,704
Net unrealized (losses) on available-for-sale securities		384
Total equity capital		417,658
Total liabilities, limited-life preferred stock, and equity capital		5,209,030

We, the undersigned directors (Trustees), attest to the correctness of this Report of Condition. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Owen G. Shell, Jr.
Herbert M. Shayne Directors
Jerry L. Benefield

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form T-1
STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939 OF A CORPORATION

DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE

PURSUANT TO SECTION 305(b)(2)

NATIONSBANK OF TENNESSEE, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

62-0167464
(I.R.S. employer identification no.)

One NationsBank Plaza
Nashville, Tennessee 37239-1697
(Address of principal executive offices) (Zip Code)

John T. Henderson
NationsBank of Georgia, National Association
Area Administration
6000 Feldwood Road
College Park, Georgia 30349
(404) 774-6074
(Name, Address and telephone number of agent for service)

with a copy to:
NationsBank of Tennessee, National Association
One NationsBank Plaza
Nashville, TN 37239-1697
Attention: Corporate Trust

HARRAH'S ENTERTAINMENT, INC.
(Exact name of obligor as specified in its charter)

Delaware 62-1411755
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

HARRAH'S OPERATING COMPANY, INC.
(Exact name of obligor as specified in its charter)

Delaware 75-1941623
(State or other jurisdiction (IRS employer
of incorporation or organization) identification no.)

1023 Cherry Road
Memphis, Tennessee 38117
(901) 762-8600

(Address, including zip code, and telephone number,
including area code, of principal executive office)

% Senior Subordinated Notes due
(Title of the indenture securities)

1. General Information

Furnish the following information as to the trustee-

- (a) Name and address of each examining or supervising authority to which it is subject.

The Comptroller of the Currency,
Washington, D.C.

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia

Federal Deposit Insurance Corporation
Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

List below all exhibits filed as a part of this statement of eligibility.

- (1) A copy of the Articles of Association of the trustee as now in effect. (See Exhibit 1 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
- (2) A copy of the certificate of authority of the trustee to commence business. (See Exhibit 2 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)
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- (4) A copy of the existing by-laws of the trustee, as amended to date. (See Exhibit 4 to Form T-1, Exhibit 25 to Registration No. 33-67040, which is incorporated herein by reference.)

- (6) The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939.
- (7) A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, NationsBank of Tennessee, National Association, a corporation organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Nashville and the State of Tennessee, on the 18th day of September, 1995.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 6 TO FORM T-1

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939 in connection with the proposed issuance of up to \$200,000,000 of % Senior Subordinated Notes due by Harrah's Operating Company, Inc. to be issued under the Indenture, NationsBank of Tennessee, National Association hereby consents that reports of examinations by Federal, State, Territorial or District Authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

NATIONSBANK OF TENNESSEE,
NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

EXHIBIT 7 TO FORM T-1

Comptroller of the Currency
 Administrator of National Banks

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the
 NATIONS BANK OF TENNESSEE, N.A. OF NASHVILLE, in the State of
 Tennessee, at the close of business on June 30, 1995 published in
 response to call made by Comptroller of the Currency, under Title
 12, United States Code, Section 161. Charter Number 17561,
 Comptroller of the Currency, Third District.

Statement of Resources and Liabilities Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin. . .	416,613
Securities	
Held-to-maturity securities	628,133
Available-for-sale securities	17,030
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds sold	308,085
Loans and lease financing receivables:	
Loans and leases, net of unearned income.	3,744,578
LESS: Allowance for loan and lease losses	50,803
Loans and leases, net of unearned income, allowance, and reserve	3,693,775
Premises and fixed assets (including capitalized leases)	65,156
Other real estate owned	3,557
Customers' liability to this bank on acceptances outstanding	6,380
Intangible assets	323
Other assets	69,978
Total assets	5,209,030

LIABILITIES

Deposits:	
In domestic offices	4,203,630
Noninterest-bearing	883,514
Interest-bearing	3,320,116
Interest-bearing deposits in foreign offices.	99,379
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds purchased	324,538
Securities sold under agreements to repurchase.	0
Demand notes issued to the U.S. Treasury	49,950
Other borrowed money:	
With original maturity of one year or less.	30,754
With original maturity of more than one year	
1,965.	
Bank's liability on acceptances outstanding	6,380
Other liabilities	74,776
Total liabilities	4,791,372

EQUITY CAPITAL

Common Stock	55,583
Surplus	96,987
Undivided profits and capital reserves	264,704
Net unrealized (losses) on available-for-sale securities	384
Total equity capital	417,658
Total liabilities, limited-life preferred stock, and equity capital	5,209,030

We, the undersigned directors (Trustees), attest to the correctness of this Report of Condition. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Owen G. Shell, Jr.
Herbert M. Shayne Directors
Jerry L. Benefield

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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(Title of the indenture securities)

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NATIONAL ASSOCIATION

By: /s/ Paul Williams

Paul Williams
Senior Vice President

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By: /s/ Paul Williams

Paul Williams
Senior Vice President

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Herbert M. Shayne Directors
Jerry L. Benefield