As filed with the Securities and Exchange Commission on December 16, 2005

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HARRAH'S ENTERTAINMENT, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**One Harrah's Court** **Las Vegas, Nevada 89119**	**62-1411755**
(State or Other Jurisdiction of Incorporation or Organization)	(Address of Principal Executive Offices) (Zip Code)	(I.R.S. Employer Identification No.)

CAESARS ENTERTAINMENT 401(k) SAVINGS PLAN, as amended

RESTATED GRAND CASINOS 401(k) SAVINGS PLAN, as amended

(Full Title of the Plans)

Stephen H. Brammell
Senior Vice President, General Counsel and Corporate Secretary
Harrah's Entertainment, Inc.
One Harrah's Court
Las Vegas, NV 89119
(702) 407-6000
(Name, Address and Telephone Number, Including Area Code, of Agent For Service)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered(2)	Amount To Be Registered	Proposed Maximum Offering Price Per Share(3)	Proposed Maximum Aggregate Offering Price (3)	Amount Of Registration Fee
Common Stock (1) $0.10 par value under the Caesars Entertainment 401(k) Savings Plan	480,000 shares	$ 66.68	$ 32,006,400	$ 3,425
Common Stock (1), $0.10 par value under the Restated Grand Casinos 401(k) Savings Plan	120,000 shares	$ 66.68	$ 8,001,600	$ 857
Total	600,000 shares		$ 40,008,000	$ 4,282

(1) Shares of the Common Stock of Harrah's Entertainment, Inc. (the "Company") are not issuable under either of the Caesars Entertainment 401(k) Plan, as amended (the "Caesars Plan"), or the Restated Grand Casinos 401(k) Savings Plan, as amended (the "Grand Casinos Plan" and together with the Caesars Plan, the "Plans"). Represents deemed investments of participants in phantom shares of the Company's Common Stock (and associated special stock purchase rights) under the Plans. The Plans were assumed by the Company pursuant to the merger of the Company with Caesars Entertainment, Inc. in June 2005, and effective as of January 1, 2006, participants in the Plans may make such deemed investments in the phantom shares of the Company's Common Stock.

(2) In the event of a stock split, stock dividend, or similar transaction involving the Company's Common Stock, the number of shares registered hereby shall automatically be increased to cover the additional shares in accordance with Rule 416(a) under the Securities Act of 1933. In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the Plans.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 for the shares registered hereunder based on the average of the high ($67.36) and low ($66.00) sales prices for the Common Stock as quoted on the New York Stock Exchange on December 14, 2005.

I. INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The document(s) containing the information specified in Part I of Form S-8 will be sent or given to participating employees as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended, (the "Securities Act"). These documents and the documents incorporated by reference into this registration statement pursuant to Item 3 of Part II of this registration statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed with the Securities and Exchange Commission (the "Commission") by Harrah's Entertainment, Inc. (the "Company"), are incorporated in this Registration Statement by reference:

A. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed with the Commission on March 1, 2005;

B. The Company's Quarterly Reports on Form 10-Q for the periods ended March 31, 2005, June 30, 2005, and September 30, 2005, filed with the Commission on May 6, 2005, August 9, 2005, and November 9, 2005; and

C. The Company's Current Reports on Form 8-K, filed with the Commission on January 19 and 20, 2005; February 4, 7 and 18, 2005; March 3, 7 and 11, 2005; April 27, 2005; May 2, 3, 20 and 24, 2005; June 3, 9, 13, 20, 24 and 28, 2005; July 13 and 26, 2005; August 2, 23 and 25, 2005; September 12, 14, 25, 22, and 29, 2005; October 6 and 13, 2005; and November 4, 2005.

All documents filed by the Company, the Caesars Plan or the Grand Casinos Plan pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act, as amended (the "Exchange Act"), after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold are incorporated by reference in this Registration Statement and are a part hereof from the date of filing such documents. A report on Form 8-K furnished to the Commission, and any information furnished to the Commission in an otherwise filed Form 8-K, shall not be incorporated by reference into this Registration Statement. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of Delaware empowers each of the Company and Harrah's Operating Company, Inc. ("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 the Company and Harrah's Operating may purchase insurance on behalf of any of their respective directors, officers, employees or agents.

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

The Company has entered into indemnification agreements with its directors, executive officers and certain other officers. Generally, the indemnification agreements provide that the Company 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 the Company 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 the Company, or is or was serving at the request of the Company 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. The obligations of the Company 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. The obligation of the Company 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, the Company shall be entitled to be reimbursed by indemnitee (who has agreed to reimburse the Company, 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 the Company 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).

The Company carries insurance policies which cover its individual directors and officers for legal liability and which would pay on the Company's behalf for expenses of indemnifying directors and officers in accordance with the Company's Certificate if Incorporation.

Section 102(b)(7) of the General Corporation Law of Delaware 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. However, no provision can eliminate or limit a director's liability: for any breach of the director's duty of loyalty to the corporation or its stockholders; for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; under Section 174 of the General Corporation Law of Delaware, which imposes liability on directors for unlawful payment of dividends or unlawful stock purchase or redemption; or for any transaction from which the director derived an improper personal benefit. Article Thirteenth of the Company's Certificate of Incorporation eliminates the liability of a director of the Company to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director to the full extent permitted by the General Corporation Law of Delaware.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

Each of the Plans has been submitted to the Internal Revenue Service (the "IRS"). The undersigned registrant hereby undertakes that it will submit any amendment to the Plans to the IRS in a timely manner and has made or will make all changes required by the IRS in order to qualify each of the Plans under Section 401 of the Internal Revenue Code of 1986, as amended.

No original issuance securities are being offered under the Plans, and therefore no opinion as to the legality of the securities being offered is given in this registration statement.

See Index to Exhibits on page 7.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(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;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this 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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective 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 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 registrant pursuant to Section 13 or Section 15(d) of the Exchange Act, that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, 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 registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) 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 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant 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 registrant 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Las Vegas, state of Nevada, on this 16 day of December, 2005.

Harrah's Entertainment, Inc.

By: /s/ Stephen H. Brammell
Stephen H. Brammell
Senior Vice President, General Counsel and
Corporate Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below, hereby constitutes and appoints Gary W. Loveman and Stephen H. Brammell and each of them, either 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, 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 conforming 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, this registration statement has been signed by the following persons in their capacities and on the dates indicated.

Signature	Title	Date
/s/ Gary W. Loveman (Gary W. Loveman)	Chairman, President and Chief Executive Officer (Principal Executive Officer)	December 16, 2005
/s/ Charles L. Atwood (Charles L. Atwood)	Director, Senior Vice President and Chief Financial Officer (Principal Financial Officer)	December 16, 2005
/s/ Barbara T. Alexander (Barbara T. Alexander)	Director	December 16, 2005
/s/ Frank J. Biondi, Jr. (Frank J. Biondi, Jr.)	Director	December 16, 2005
/s/ Stephen F. Bollenbach (Stephen F. Bollenbach)	Director	December 16, 2005

Signature	Title	Date
/s/ Joe M. Henson (Joe M. Henson)	Director	December 16, 2005
/s/ William Barron Hilton (William Barron Hilton)	Director	December 16, 2005
/s/ Ralph Horn (Ralph Horn)	Director	December 16, 2005
/s/ R. Brad Martin (R. Brad Martin)	Director	December 16, 2005
/s/ Gary G. Michael (Gary G. Michael)	Director	December 16, 2005
/s/ Robert G. Miller (Robert G. Miller)	Director	December 16, 2005
/s/ Boake A. Sells (Boake A. Sells)	Director	December 16, 2005
/s/ Christopher J. Williams (Christopher J. Williams)	Director	December 16, 2005

/s/ Anthony D. McDuffie (Anthony D. McDuffie)	Senior Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	December 16, 2005

Pursuant to the requirements of the Securities Act of 1933, as amended, the members of the Plans' administrative committees have duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Las Vegas, state of Nevada, on December 16, 2005.

CAESARS ENTERTAINMENT 401(k) SAVINGS PLAN, as amended;

and

RESTATED GRAND CASINOS 401(k) SAVINGS PLAN, as amended

By: /s/ Jeffrey Shovlin
Name: Jeffrey Shovlin
Title: Chairman, HET Administrative Committee

INDEX TO EXHIBITS

4.1	Rights Agreement, dated as of October 5, 1996, between Harrah's Entertainment, Inc. and The Bank of New York, which includes the form, of Certificate of Designations of Series A Special Stock of Harrah's Entertainment, Inc. as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Special Shares as Exhibit C. (Incorporated by reference from the Company's Current Report on Form 8-K, filed August 9, 1996, File No. 1-10410.)
4.2	First Amendment, dated as of February 21, 1997, to Rights Agreement between Harrah's Entertainment, Inc. and The Bank of New York. (Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, filed March 11, 1997, File No. 1-10410.)
4.3	Second Amendment, dated as of April 25, 1997, to Rights Agreement, dated as of October 25, 1996, between Harrah's Entertainment, Inc. and The Bank of New York. (Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, filed May 13, 1997, File No. 1-10410.)
*5.1	Internal Revenue Service Determination Letter, dated December 2, 2002 concerning the Caesars Entertainment 401(k) Savings Plan.
*5.2	Internal Revenue Service Determination Letter, dated December 2. 2002 concerning the Restated Grand Casinos 401(k) Savings Plan.
*23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm, related to the consolidated financial statements of Harrah's Entertainment, Inc.
*23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm, related to the consolidated financial statements of Caesars Entertainment, Inc.
*23.3	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm, related to the consolidated financial statements of Horeshoe Gaming Holding Corp.
*24	Power of Attorney (Incorporated by reference in the signature page to the registration statement).
*99.1	Caesars Entertainment 401(k) Savings Plan, dated March 22, 2001.
*99.2	First Amendment to the Caesars Entertainment 401(k) Savings Plan, dated November 21, 2001.
*99.3	Second Amendment to the Caesars Entertainment 401(k) Savings Plan, dated December 31, 2002.
*99.4	Third Amendment to the Caesars Entertainment 401(k) Savings Plan, dated December 30, 2003.
*99.5	Fourth Amendment to the Caesars Entertainment 401(k) Savings Plan, dated December 30, 2004.
*99.6	Fifth Amendment to the Caesars Entertainment 401(k) Savings Plan, dated June 10, 2005.
*99.7	Sixth Amendment to the Caesars Entertainment 401(k) Savings Plan, dated December 13, 2005.
*99.8	Seventh Amendment to the Caesars Entertainment 401(k) Savings Plan, dated December 15, 2005.
*99.9	Restated Grand Casinos 401(k) Savings Plan, dated February 28, 2001.
*99.10	First Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated November 21, 2001.

*99.11	Second Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated December 31, 2002.
*99.12	Third Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated December 30, 2003.
*99.13	Fourth Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated December 31, 2004.
*99.14	Fifth Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated June 10, 2005.
*99.15	Sixth Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated December 13, 2005.
*99.16	Seventh Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated September 13, 2005.
*99.17	Eighth Amendment to the Restated Grand Casinos 401(k) Savings Plan, dated December 15, 2005.

* Filed herewith

Exhibit 5.1

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 2 2002

Employer Identification Number:
88-0400631
DLN:
17007014079032
Person to Contact:
THOMAS SCHUTZMAN ID# 11325
Contract Telephone Number:
(877) 829-5500
Plan Name:
RESTATED PARK PLACE ENTERTAINMENT CORPORATION 401K SAVINGS PLAN
Plan Number: 001

PARK PLACE ENTERTAINMENT
CORPORATION
3930 HOWARD HUGHES PKY STE 400
LAS VEGAS, NV 89109

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provide examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated November 26, 2002. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This determination letter is applicable for the amendment(s) executed on March 22, 2001.

This determination letter is also applicable for the amendment(s) dated on November 21, 2001.

This determination letter is applicable for the plan adopted on

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PARK PLACE ENTERTAINMENT

February 25, 1999.

This letter considers the changes in qualification requirements made by the Uruguay Round Agreements Act, Pub. L. 103-465, the Small Business Job Protection Act of 1996, Pub. L. 104-188, the Uniformed Services Employment and Reemployment Rights Act of 1994, Pub. L. 103-353, the Taxpayer Relief Act of 1997, Pub. L. 105-34, the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, and the Community Renewal Tax Relief Act of 2000 Pub. L. 106-554.

This letter may not be relied on with respect to whether the plan satisfies the requirements of section 401(a) of the Code, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub L. 107-16.

This requirement for employee benefits plans to file summary plan descriptions (SPD) with the U.S. Department of Labor was eliminated effective August 5, 1997. For more details, call 1-800-998-7542 for a free copy of the SPD card.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,

/s/ Paul T. Shultz
Paul T. Shultz
Director,
Employee Plans Rulings & Agreements

Enclosures:
Publication 794

Exhibit 5.2

INTERNAL REVENUE SERVICE
P.O. BOX 2508
CINCINNATI, OH 45021

DEPARTMENT OF THE TREASURY

Date: DEC 2 2002

Employer Identification Number:
41-1689535
DLN:
17007014079042

GRAND CASINOS INC
3930 HOWARD HUGHES PKY STE 400
LAS VEGAS, NV 89109

Person to Contact:
THOMAS SCHUTZMAN ID# 11325
Contact Telephone Number:
(877) 829-5500
Plan Name:
THE RESTATED GRAND CASINOS 401K SAVINGS PLAN
Plan Number: 002

Dear Applicant:

We have made a favorable determination on the plan indentified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provide examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated November 26, 2002. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This determination letter is applicable for the amendment(s) executed on February 28, 2001.

This determination letter is also applicable for the amendment(s) dated on November 21, 2001.

This determination letter is applicable for the plan adopted on

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GRAND CASINOS INC

February 26, 1999.

This letter considers the changes in qualification requirements made by the Uruguay Round Agreements Act, Pub. L. 103-465, the Small Business Job Protection Act of 1996, Pub. L. 104-188, the Uniformed Services Employment and Reemployment Rights Act of 1994, Pub. L. 103-353, the Taxpayer Relief Act of 1997, Pub. L. 105-34, the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, and the Community Renewal Tax Relief Act of 2000 Pub. L. 106-554.

This letter may not be relied on with respect to whether the plan satisfies the requirements of section 401(a) of the Code, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16.

The requirement for employee benefits plans to file summary plan descriptions (SPD) with the U.S. Department of Labor was eliminated effective August 5, 1997. For more details, call 1-800-998-7542 for a free copy of the SPD card.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are show above.

Sincerely yours,

/s/ Paul T. Shultz
Paul T. Shultz
Director,
Employee Plans Rulings & Agreements

Enclosures:
Publication 794

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated February 28, 2005, relating to the consolidated financial statements and financial statement schedule of Harrah's Entertainment, Inc. (which report expresses an unqualified opinion and includes an explanatory paragraph relating to Harrah's Entertainment, Inc.'s change in 2002 in its method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*) and management's report on the effectiveness of internal control over financial reporting appearing in the Annual Report on Form 10-K of Harrah's Entertainment, Inc. for the year ended December 31, 2004.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada
December 14, 2005

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement of Harrah's Entertainment, Inc. on Form S-8 of our report dated February 28, 2005, (September 12, 2005 as to Notes 1, 3 and 20) relating to the consolidated financial statements and financial statement schedule of Caesars Entertainment, Inc. as of December 31, 2004 and 2003 and for the three years ended December 31, 2004 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to Caesars Entertainment, Inc.'s change in 2002 in its method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*) appearing in the Current Report on Form 8-K dated September 14, 2005 of Harrah's Entertainment, Inc.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada
December 14, 2005

Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement of Harrah's Entertainment, Inc. on Form S-8 of our report dated March 19, 2004 relating to the consolidated financial statements for Horseshoe Gaming Holding Corp. and Subsidiaries ("Horseshoe") as of and for the years ended December 31, 2003 and 2002 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the application of procedures relating to certain disclosures of financial statement amounts related to the 2001 financial statements that were audited by other auditors who have ceased operations and for which we have expressed no opinion or other form of assurance other than with respect to such disclosures and also includes an explanatory paragraph relating to Horseshoe's change in 2002 in its method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*) appearing in the Current Report on Form 8-K dated September 29, 2005 of Harrah's Entertainment, Inc.

/s/ DELOITTE & TOUCHE LLP

Memphis, Tennessee
December 14, 2005

THE RESTATED PARK PLACE ENTERTAINMENT CORPORATION

401(k) SAVINGS PLAN

Effective January 1, 1999

THE PARK PLACE ENTERTAINMENT CORPORATION

401(k) SAVINGS PLAN

WHEREAS, HILTON HOTELS CORPORATION ("Hilton") maintained the Hilton Hotels Thrift Savings Plan (the "Hilton Plan") for the benefit of its eligible employees, including those employed in Hilton's gaming business ("Eligible Gaming Employees"); and

WHEREAS, on December 31, 1998 Hilton spun off its gaming operation by distributing to its shareholders all of the outstanding shares of the common stock of Park Place Entertainment Corporation (the "Company"); and

WHEREAS, as a result of the spin off, the Company now owns and operates, directly and indirectly through its subsidiaries, the gaming businesses previously operated by Hilton; and

WHEREAS, in light of the foregoing, the Eligible Gaming Employees became employees of the Company or its subsidiaries and, consequently, terminated their participation in the Hilton Plan; and

WHEREAS, the Company established the Park Place Entertainment Corporation 401(k) Savings Plan (the "Plan") effective January 1, 1999, a profit sharing plan containing a Section 401(k) cash or deferred feature for the benefit of the Eligible Gaming Employees and newly eligible employees of the Company and its subsidiaries; and

WHEREAS, the account balances held under the Hilton Plan attributable to the Eligible Gaming Employees were transferred

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to the Plan; and

WHEREAS, the Bally's Grand, Inc. Contributory Savings Plan (the "Bally's Las Vegas Plan") was merged into the Plan effective November 1, 1999 and, the First Amendment to the Plan reflecting such merger was adopted on December 30, 1999; and

WHEREAS, both the Retirement Savings Voluntary Participation Plan (Atlantic City) (the "AC Hilton Plan") and the Bally's Park Place, Inc. Profit Sharing Plan (the "Bally's Park Place Plan") were merged into the Plan effective May 22, 2000; and

WHEREAS, in light of the desire to incorporate into the Plan (i) provisions providing for the merger of the AC Hilton Plan and the Bally's Park Place Plan, (ii) the First Amendment to the Plan reflecting the merger of the Bally's Las Vegas Plan, (iii) regulations enacted after January 1, 1999 and (iv) certain other clarifying changes to the Plan, it has been decided to amend and entirely restate the Plan.

NOW, THEREFORE, except as otherwise provided in the Plan, effective January 1, 1999, the Plan is hereby amended and restated as set forth herein.

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PARK PLACE ENTERTAINMENT CORPORATION 401(k) SAVINGS PLAN

ARTICLE I

DEFINITIONS

1.1 "Account Balance" shall mean the sum of the account balances in the Participant's Salary Deferral Contribution Account, Matching Contribution Account, Rollover Contribution Account and After Tax Contribution Account.

1.2 "AC Hilton Plan" shall mean the Retirement Savings Voluntary Participation Plan (Atlantic City) that was merged into this Plan effective May 22, 2000.

1.3 "ACCC Plan" shall mean the Atlantic City Country Club, Inc. 401(k) Plan.

1.4 "Adjusted Compensation" shall mean wages within the meaning of Section 3401(a) of the Code (without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or services performed) received by an Employee during a Plan Year and all other payments of compensation to the Employee during the Plan Year for which the Employer is required to furnish a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code.

1.5 "Adjustment Factor" shall mean the cost of living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Code, as applied to such items and in such manner as the Secretary shall provide.

1.6 "Affiliate" shall mean any corporation which is a member of a controlled group of corporations (as defined in

Section 414(b) of the Code) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Section 414(c) of the Code) with the Employer; and any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Employer.

1.7 "After Tax Contribution" shall mean the amount contributed to the Plan in accordance with Section 3.3.

1.8 "After Tax Contribution Account" shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.9 "Annual Additions" shall mean the total of all Salary Deferral Contributions, Matching Contributions and After Tax Contributions credited to each Participant under this Plan for each Limitation Year. To the extent applicable, Annual Additions shall also include amounts described in Sections 415(1) and 419A (d) (2) of the Code.

1.10 "Bally's Las Vegas Plan" shall mean the Bally's Grand, Inc. Contributory Savings Plan that was merged into this Plan effective November 1, 1999.

1.11 "Bally's Park Place Plan" shall mean the Bally's Park Place, Inc. Profit Sharing Plan that was merged into this Plan effective May 22, 2000.

1.12 "Beneficiary" shall mean the person, legal representative, estate or trust designated under Article VIII to receive payments on account of the death of the Participant.

1.13 “Code” shall mean the Internal Revenue Code of 1986, as amended.

1.14 “Committee” shall mean the Administrative Committee appointed by the Company which administers the Plan pursuant to Article XI.

1.15 “Company” shall mean Park Place Entertainment Corporation, and any successors thereto.

1.16 “Compensation” shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses and all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, or contributions made under any insurance or welfare plan.

1.17 “Disability” shall mean a physical or mental condition of a Participant which in the opinion of the Committee and based on medical evidence is believed to be permanent and to render the Participant unfit to perform the duties of an Employee, and for which he is either eligible for disability benefits under the Social Security Act or would have been eligible for disability benefits under the Social Security Act if he had satisfied the minimum employment requirements under such Act.

1.18 “Effective Date” of this Plan shall mean January 1, 1999.

1.19 “Eligible Employee” shall mean, except as provided herein, any person who is an Employee of the Employer and has completed a Year of Eligibility Service. For purposes of the Plan, an Eligible Employee shall not include: (a) any Employee who is included in a unit covered by a collective bargaining agreement between Employee representatives and the Employer unless the bargaining agreement specifically provides for participation in this Plan or (b) any individual retained directly or through a third party agency, including a leasing organization within the meaning of Code Section 414(n)(2), to perform services for the Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity, to the extent that such individual is or has been determined by a governmental entity, court, arbitrator, or other third party, to be an employee of the Employer for any purpose, including tax withholding, employment tax, employment law or for purposes of any other employee benefit plan of the Employer.

1.20 “Employee” shall mean any individual hired by the Employer as an employee. For purposes of this Plan, an Employee shall not include any individual retained directly or through a third party agency, including a leasing organization within the meaning of Code Section 414(n)(2), to perform services for the

Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity.

1.21 “Employer” shall mean the Company and any Affiliate which adopts the Plan. Appendix A hereto sets forth the names of all Employers.

1.22 “Employment Commencement Date” shall mean the first date on which an Employee (or a returning Employee) completes an Hour of Service.

1.23 “Entry Date” shall mean the first day of any payroll period.

1.24 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.25 “Fund” shall mean all funds and assets held and administered by the Trustee at any time under the Trust, out of which payments under this Plan shall be made.

1.26 “Highly Compensated Employee” shall mean, with respect to the Employer, an Employee who performed services for the Employer during the “determination year” and at any time during the “determination year” or the “look-back year” was a 5% owner of the Employer or any Affiliate, or who, during the “look-back year”, received Adjusted Compensation from the Employer or any Affiliate in excess of $80,000 (as adjusted pursuant to Section 415(d) of the Code).

For purposes of this Section: (a) the “determination year” shall be the Plan Year for which compliance is being

tested, (b) the “look-back year” shall be the 12-month period immediately preceding the determination year, and (c) “Adjusted Compensation” shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

If the Employer makes an election for any year in determining whether an Employee is a Highly Compensated Employee for such year, the first paragraph shall be applied by substituting “$80,000 (as adjusted pursuant to Section 415(d) of the Code) and who was a member of the ‘top-paid group’

for such year" for "$80,000 (as adjusted pursuant to Section 415(d) of the Code)" therein. The "top-paid group" for a look-back year shall consist of the top 20% of Employees ranked on the basis of compensation received during the year excluding Employees described in Section 414(q)(5) of the Code and Treasury Regulations thereunder.

1.27 "Hilton Plan" shall mean the Hilton Hotels Corporation Thrift Savings Plan.

1.28 "Hour of Service" shall mean:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer.

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed due to vacation,

holiday, illness, incapacity (including disability), layoff, jury duty or military duty. Notwithstanding the preceding sentence, no more than 501 Hours of Service shall be credited under this paragraph (b) to an Employee on account of any single continuous period during which the Employee performs no duties. The determination of Hours of Service for reasons other than the performance of duties, and the crediting of such hours, shall be made in accordance with the rules provided by Department of Labor Reg. §§2530.200b-2(b) and (c).

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). Crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in paragraph (b) shall be subject to the limitations set forth in that paragraph.

1.29 "Investment Funds" means the investment funds provided for in Section 12.2.

1.30 "Limitation Year" shall mean the 12 month period corresponding with the Plan Year.

1.31 "Matching Contribution" shall mean the matching contribution made by the Employer in accordance with Section 3.2.

1.32 "Matching Contribution Account" shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.33 "Nonhighly Compensated Employee" shall mean an Employee of the Employer who is not a Highly Compensated Employee.

1.34 "Normal Retirement Date" shall mean the Participant's 65th birthday.

1.35 "One-Year Break in Service" means a Plan Year during which an Employee fails to complete more than 500 Hours of Service.

Solely for purposes of determining whether a One-Year Break in Service for participation and vesting purposes has occurred in a Plan Year, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence: (a) by reason of the pregnancy of the individual; (b) by reason of a birth of a child of the individual; (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual; or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (i) in the Plan Year in which the absence begins if the crediting is necessary to prevent a One-Year Break in Service in that period, or (ii) in all other cases, in the following Plan Year.

1.36 "Participant" shall mean any Eligible Employee who participates in the Plan as provided in Section 2.3 hereof. A Participant shall continue to be a Participant as long as he has an Account Balance hereunder.

1.37 "Plan" shall mean the Restated Park Place Entertainment Corporation 401(k) Savings Plan. The Plan is intended to be a profit sharing plan as described in Section 401(a)(27) of the Code.

1.38 "Plan Administrator" shall mean the Committee.

1.39 "Plan Year" shall mean the calendar year.

1.40 "Retirement" shall mean retirement by a Participant on or after attaining his Normal Retirement Date.

1.41 "Rollover Contribution" shall mean any rollover contribution made to the Plan by a Participant in accordance with Section 3.4.

1.42 "Rollover Contribution Account" shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.43 "Salary Deferral Contribution" shall mean the amount contributed to the Plan in accordance with Section 3.1.

1.44 “Salary Deferral Contribution Account” shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.45 “Termination of Employment” shall mean the voluntary severance of employment of an Employee, or the involuntary severance of employment of an Employee by the Employer, other than

severance of employment by reason of death, Disability or Retirement under this Plan. For purposes of this Plan, an Employee shall not be considered to have a Termination of Employment until such Employee is no longer employed by the Employer or any Affiliate.

1.46 “Trust” shall mean the instrument executed pursuant to Article XII by the Employer and the Trustee.

1.47 “Trustee” shall mean the trustee designated as such under the Trust.

1.48 “Valuation Date” shall mean each business day of the calendar year.

1.49 “Year of Eligibility Service” shall mean:

(a) Either the twelve-month period beginning on the Employee’s Employment Commencement Date in which the Employee completes at least 1000 Hours of Service or any Plan Year beginning with the Plan Year that includes the anniversary of such date in which the Employee completes at least 1000 Hours of Service.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating a “Year of Eligibility Service”;

(ii) if on December 18, 1996 such individual was employed by Bally’s Entertainment Corp. or any of its affiliates, any period during which such individual was employed by Bally’s Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating a “Year of Eligibility Service”; and

(iii) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating a “Year of Eligibility Service”.

provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., any years of service credited to such individual under the Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date shall be treated as employment as an Employee for purposes of calculating a “Year of Eligibility Service” under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998 shall be treated as employment as an Employee for purposes of

calculating a “Year of Eligibility Service” under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating a “Year of Eligibility Service”; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan. For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate.

1.50 “Year of Service” shall mean:

(a) Any Plan Year during which an Employee is credited with at least 1,000 Hours of Service.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating a “Year of Service”;

(ii) if on December 18, 1996 such individual was employed by Bally's Entertainment Corp. or any of its affiliates, any period during which such individual

was employed by Bally's Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating a "Year of Service"; and

(iii) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Service".

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., Years of Service under this Plan shall include any years of service credited to such individual under the Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998 shall be treated as employment as an Employee for purposes of calculating a "Year of Service".

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating a "Year of Service". For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate.

(f) If an Eligible Employee (i) ceases to be an Employee on account of his Termination of Employment, (ii) has no vested benefits under the Plan (iii) incurs five (5) consecutive

One-Year Breaks in Service and (iv) is reemployed by the Employer, in determining such Participant's Years of Service under the Plan, Years of Service shall be computed without regard to any Years of Service prior to the five (5) consecutive One-Year Breaks in Service.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.1 Any Employee who was eligible to participate in the Hilton Plan on December 31, 1998 shall be eligible to participate in the Plan on the Effective Date.

2.2 Each Employee who becomes an Eligible Employee on or after the Effective Date may elect to become a Participant hereunder on any Entry Date after becoming an Eligible Employee.

2.3 An Eligible Employee elects to become a Participant by authorizing Salary Deferral Contributions and/or After Tax Contributions to the Plan in accordance with Section 3.1 and/or Section 3.3.

2.4 Except as otherwise provided in Section 2.5, a Participant, or an Eligible Employee, who ceases to be an Eligible Employee or who has a Termination of Employment with the Employer, shall again become eligible to make Salary Deferral Contributions in accordance with Section 3.1 and/or After Tax Contributions in accordance with Section 3.3 on any Entry Date following the first date on which he completes an Hour of Service as an Eligible Employee.

2.5 If an Eligible Employee (i) ceases to be an Employee on account of his Termination of Employment, (ii) has no vested benefits under the Plan (iii) incurs five (5) consecutive One-Year Breaks in Service and (iv) is reemployed by the Employer, in determining the date on which such Employee shall again become an

Eligible Employee eligible to participate in the Plan, such Employee's Years of Eligibility Service shall be computed without regard to any Years of Eligibility Service prior to the five (5) consecutive One-Year Breaks in Service.

ARTICLE III

CONTRIBUTIONS

3.1 Salary Deferral Contributions.

(a) (i) Each Eligible Employee may elect to become a Participant as of any Entry Date after becoming an Eligible Employee by authorizing the Employer (in the manner prescribed by the Committee) to reduce his Compensation for a payroll period by an amount equal to from one percent (1%) to fourteen percent (14%) (in whole percentages) of such Compensation for such payroll period and to have such amount deposited to the Plan as a Salary Deferral Contribution hereunder. In no event shall the sum of a Participant's Salary Deferral Contributions under this Section 3.1 and After Tax Contributions under Section 3.3 for a Plan Year exceed fourteen percent (14%) of such Participant's Compensation for such Plan Year.

(ii) Each Eligible Employee shall make such election prior to the Entry Date as of which he elects to become a Participant. The Eligible Employee's election shall specify the percentage of his Compensation for each payroll period that is to be contributed to the Plan as a Salary Deferral Contribution. The amount contributed to the Plan shall be credited to the Participant's Salary Deferral Contribution Account. The

election of the Participant shall remain in effect unless a new election is made by the Participant in accordance with paragraph (b) of this Section or Salary Deferral Contributions are suspended in accordance with paragraph (c) of this Section.

(b) A Participant may increase or decrease his Salary Deferral Contributions, effective as soon as practicable but no earlier than the first day of any payroll period, in the manner prescribed by the Committee.

(c) A Participant may suspend his Salary Deferral Contributions, effective as soon as practicable but no earlier than the first day of any payroll period, in the manner prescribed by the Committee. Salary Deferral Contributions so suspended may not be subsequently made up. A Participant may recommence Salary Deferral Contributions to the Plan, effective as soon as practicable but no earlier than the first day of any subsequent payroll period, in the manner prescribed by the Committee. Salary Deferral Contributions shall cease automatically when a Participant ceases to be an Employee.

(d) A Participant shall be fully vested at all times in his Salary Deferral Contribution Account.

3.2 Matching Contributions.

(a) For each payroll period, the Employer may make a Matching Contribution to the Plan on behalf of each Participant who makes Salary Deferral Contributions and/or After Tax

Contributions during such payroll period. The amount of such Matching Contributions to be made for a payroll period shall be equal to fifty percent (50%) of the Salary Deferral Contributions and After Tax Contributions made on behalf of the Participant for that payroll period; provided, however, that in all cases, a Participant's Salary Deferral Contributions and After Tax Contributions for any payroll period in excess of six percent (6%) of such Participant's Compensation for such payroll period shall not be taken into account hereunder. If no Salary Deferral Contributions or After Tax Contributions are made on behalf of a Participant for a payroll period, no Matching Contribution shall be made for such Participant for that payroll period. Any Matching Contributions made hereunder shall be credited to the Participant's Matching Contribution Account.

(b) Notwithstanding the provisions of Section 3.2(a), if (i) as of the first day of a Plan Year a Participant has completed at least five (5) Years of Service and (ii) the Participant is employed by the Employer or any Affiliate on the last day of the Plan Year, such Participant shall receive an additional Matching Contribution for such Plan Year in an amount equal to fifty percent (50%) of the Matching Contributions made on behalf of such Participant during such Plan Year pursuant to Section 3.2(a). For purposes of determining whether a Participant is entitled to receive an additional Matching Contribution pursuant to this Section 3.2(b), the calculation of a Participant's Years

of Service shall begin on the first day of the first Plan Year coincident with or immediately following such Participant's Employment Commencement Date.

(c) Notwithstanding the foregoing, the Employer may, in its sole discretion, make additional Matching Contributions to the Plan on behalf of each Participant.

(d) A Participant shall vest in his Matching Contribution Account under the Plan in accordance with the provisions of Section 7.3, ARTICLE XVI, ARTICLE XVII and ARTICLE XVIII.

3.3 After Tax Contributions.

(a) Each Participant may elect to contribute After Tax Contributions to the Plan. Such After Tax Contributions shall be contributed to the Plan through after tax payroll deductions and shall be made in increments of one percent (1%) to fourteen percent (14%) of such Participant's Compensation for such payroll period. In no event shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under this Section 3.3 for a Plan Year exceed fourteen percent (14%) of such Participant's Compensation for such Plan Year. Any amounts so contributed by a Participant shall be credited to the Participant's After Tax Contribution Account.

(b) A Participant shall be fully vested at all times in his After Tax Contribution Account.

3.4 Rollover Contributions.

(a) The term "Rollover Contribution" shall mean any "rollover amount" described in Section 402(c) of the Code (including any direct transfers within the meaning of Section 401(a)(31) of the Code) and any "rollover contribution" described in Section 408(d)(3)(A)(ii) of the Code.

(b) Upon the request of a Participant, the Committee shall direct the Trustee to receive and accept funds constituting a Rollover Contribution from or on behalf of such Participant. Such request shall set forth the amount of the Rollover Contribution and the facts establishing that such amount constitutes a Rollover Contribution within the meaning of paragraph (a) of this Section. In no event shall the Trustee be obliged to (i) accept any funds as a Rollover Contribution if, upon advice of counsel, the receipt thereof could jeopardize the qualified or exempt status of the Plan or Trust, or (ii) accept property as a Rollover Contribution.

(c) A Rollover Contribution shall become part of the Trust Fund, as of the date such contribution is made, subject to the following provisions:

(i) A Rollover Contribution shall be credited to the Rollover Contribution Account for the Participant on whose behalf such contribution is made.

(ii) A Participant shall be fully vested at all times in his Rollover Contribution Account.

(iii) A Participant's interest in the Fund represented by his Rollover Contribution Account shall be distributed in full or segregated at the same time and in the same manner as such Participant's interest in the Fund as provided in Article VII.

(d) For purposes of this Section 3.4, the term Participant shall also include an Employee of the Employer, other than an Employee not eligible for the Plan under clauses (a) and (b) of Section 1.19.

3.5 Maintenance of Accounts for Each Participant.

The Committee shall maintain a separate Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account and Rollover Contribution Account in the name of each Participant. The maintenance of separate accounts shall not require a segregation of assets and shall not in any way limit the powers of the Trustee or the Committee with respect to the operation of the Fund. Such accounts shall at all times reflect the Account Balance of such Participant (or of his Beneficiary) and the Account Balance of a Participant on any date shall equal the sum of the balances in his accounts as of such date.

3.6 Irrevocable Divestiture by the Employer.

(a) Except as provided in Article IV and paragraphs (b), (c) and (e) of this Section, and notwithstanding any other provision of this Plan or of the Trust to the contrary, the

Employer irrevocably divests itself of any interest or reversion whatsoever in any sums contributed by the Employer to the Fund, and it shall be impossible for any portion of the Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Participants or their Beneficiaries and for payment of reasonable administrative expenses as provided in Section 20.4.

(b) If a contribution is made to the Plan due to a mistake of fact, such contribution shall be refunded to the Employer within one year of such contribution.

(c) All contributions by the Employer are conditioned upon their deductibility under Section 404 of the Code, and if part or all of the deduction for any contribution is disallowed, the contribution, to the extent disallowed, shall be returned to the Employer within one year after the disallowance of the deduction.

(d) Refunds of contributions due to a mistake of fact or disallowance of a deduction shall be governed by the following requirements:

(i) Earnings attributable to the amount being refunded shall remain in the Plan, but losses thereto must reduce the amount to be refunded.

(ii) In no event may a refund be made that would cause the Account Balance of any Participant to be reduced to less than what the Participant's Account

Balance would have been had the mistaken or nondeductible amount not been contributed.

(e) If the Commissioner of Internal Revenue initially determines that the Plan and Trust as presently constituted or as amended prior to such determination do not qualify under Section 401(a) of the Code:

(i) all Salary Deferral Contributions and After Tax Contributions made by the Employer on behalf of Participants, and all assets of the Fund attributable to such contributions, shall be returned to the Participants on whose behalf the Employer made such contributions;

(ii) all Matching Contributions made by the Employer, and all assets of the Fund attributable to such contributions, shall be returned to the Employer; and

(iii) any Rollover Contributions made by Participants shall be returned to such Participants.

Upon the return of all such assets, this Plan and the Trust which forms a part of this Plan shall terminate and the Trustee shall be discharged from all obligations under the Trust.

3.7 Payment of Contributions to Trust Fund. The Employer shall make payment of the Salary Deferral Contributions and After Tax Contributions to the Fund under the terms hereof not later than the 15th business day of the month after the month during

which such amounts would otherwise have been paid to the Employee or such other time period permitted by applicable regulations. The Employer shall make the Matching Contributions to the Fund under the terms hereof not later than the due date for filing the Employer's Federal Income Tax Return for its fiscal tax year, including any extensions thereto.

3.8 Transfers of Employment.

(a) Transfer from Eligible to Ineligible Class of Employee. If a Participant transfers to an employee class that is covered by a collective bargaining agreement that does not require participation in the Plan ("Union Employee"), the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's Hours of Service and Years of Service with the Employer during the period of the Participant's employment as a Union Employee shall be taken into account for vesting purposes under this Plan.

(iii) The Participant shall no longer be eligible to make Salary Deferral Contributions or After Tax Contributions to the Plan.

(iv) The Participant shall not be entitled to any Matching Contributions under the Plan with respect

to Compensation earned after the date of the transfer and shall not be entitled to an additional Matching Contribution under Section 3.2(b).

(b) Transfer from Ineligible Class to Eligible Class. If a Union Employee transfers to an employee class that is eligible to participate in the Plan, the Employee's Hours of Service and Years of Service with the Employer during the period of such Employee's employment as a Union Employee shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting purposes under this Plan.

(c) Transfers to Affiliate. If a Participant transfers to employment with an Affiliate that has not adopted this Plan, the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's employment with the Affiliate shall be treated as employment as an Employee for vesting purposes under this Plan.

(iii) The Participant shall no longer be eligible to make Salary Deferral Contributions or After Tax Contributions to the Plan.

(iv) The Participant shall not be entitled to any Matching Contributions under the Plan with respect to Compensation earned after the date of the transfer.

(d) Transfers from Affiliate. If an individual employed by an Affiliate that has not adopted this Plan transfers to employment with the Employer, the Employee's service with the Affiliate during the period of his employment with the Affiliate shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting under this Plan.

(e) Transfers Among Employers. If an individual employed by an Employer transfers his employment to a different Employer, the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's Hours of Service and Years of Service with both Employers shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting under this Plan.

(iii) The Participant shall vest in all contributions made on his behalf by his Employer before the date of transfer in accordance with the provisions regarding the vesting of such Employer's contributions under Section 7.3, ARTICLE XVI, ARTICLE XVII or ARTICLE XVIII. The Participant shall vest in all contributions made by the Employer to which such Participant was transferred in accordance with the provisions of Section 7.3.

(iv) The Participant shall be entitled to receive Matching Contributions in accordance with Section 3.1(a) from the Employer that employed the Participant on the date the Salary Deferral Contributions to which such Matching Contributions relate were earned. If the Participant is entitled to receive an additional Matching Contribution under Section 3.2(b), such additional Matching Contribution shall be made by the Employer who employs the Participant on the last day of the Plan Year.

ARTICLE IV

STATUTORY LIMITATIONS ON CONTRIBUTIONS

4.1 Maximum Dollar Amount of Salary Deferral Contributions. For any calendar year, a Participant shall not be permitted to make total Salary Deferral Contributions to this Plan which, when added to any other amounts previously contributed as elective deferrals pursuant to Section 401(k) of the Code to any other tax qualified plans maintained by the Employer or an Affiliate, would exceed the maximum statutory limit of Section 402(g) of the Code for that calendar year, as adjusted from time to time by the Adjustment Factor. For purposes of this Section, Excess Deferrals that are distributed in accordance with Section 4.2 shall be disregarded.

4.2 Distribution of Excess Deferrals.

(a) In General. Notwithstanding any other provision of the Plan, Excess Deferrals and the income or loss allocable thereto shall be distributed, where practicable, within the calendar year made, but in no event later than April 15 of the following calendar year to Participants who either file timely statements claiming such allocable Excess Deferrals, or who are deemed to have claimed such allocable Excess Deferrals, for the preceding calendar year. Any such distribution on or before the last day of the calendar year shall be made after the date on which the Plan received the Excess Deferral. Such distributions of Excess Deferrals and the income allocable thereto shall be

considered distributions of the Salary Deferral Contributions of the affected Participants and, if returned after the end of the calendar year in which they were contributed, shall be considered distributions of such contributions for the preceding calendar year. Any Excess Deferrals and income allocable thereto which are distributed pursuant to this Section 4.2 shall be distributed in the following order of priority:

(i) First, from the portion of the Salary Deferral Contributions made during the calendar year in which the Excess Deferral was made that was not subject to a Matching Contribution under Section 3.2; and

(ii) second, from the portion of the Salary Deferral Contributions made during the calendar year in which the Excess Deferral was made that was subject to a Matching Contribution under Section 3.2.

(b) Definition. For purposes of this Article IV:

(i) "Excess Deferrals" shall mean the excess of the total of the Participant's Salary Deferral Contributions made under this Plan and any other tax qualified plan maintained by the Employer or an Affiliate for any calendar year over the maximum statutory limit of Section 402(g) of the Code for such calendar year. Any such Excess Deferrals shall be deemed to have been claimed by the Participant as allocable Excess Deferrals and shall be distributed in accordance with paragraph (a) of this section.

(ii) If the Participant also makes before-tax contributions for the calendar year to plans or arrangements described in Code Sections 401(k), 408(k) or 403(b) that are not maintained by the Employer or an Affiliate, then Excess Deferrals shall be the amount of excess Salary Deferral Contributions for such calendar year that the Participant allocates to this Plan pursuant to the claim procedures set forth in paragraph (c) of this Section.

(c) Excess Deferrals Claims Procedure. The Participant's claim shall be in writing; shall be submitted to the Committee no later than March 1; shall specify the Participant's Excess Deferrals for the preceding calendar year; and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such Salary Deferral Contributions, when added to the before-tax contributions made under other plans, or arrangements described in Code Sections 401(k), 408(k) or 403(b) that are not maintained by the Employer or any Affiliate exceed the limit imposed on the Participant by section 402(g) of the Code for the calendar year in which the deferrals occurred. Any Excess Deferrals under this paragraph shall be distributed in accordance with paragraph (a) of this section.

(d) Determination of Income or Loss. Distributions of Excess Deferrals shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment

shall be made for any income or loss for the period between the end of the calendar year and the date of distribution.

(e) Reduction For Excess Salary Deferral Contributions Distributed. The amount of Excess Deferrals to be distributed with respect to any Participant for the calendar year shall be reduced by the amount of Excess Salary Deferral Contributions (as defined in Section 4.4(b)) previously distributed to the Participant pursuant to Section 4.4(a) for the Plan Year beginning with or within such calendar year. In the event of a reduction pursuant to the terms of the preceding sentence, the amount of Excess Salary Deferral Contributions includible in the gross income of the Participant and reported by the Employer as a distribution of Excess Salary Deferral Contributions shall be reduced by the amount of such reduction.

(f) Forfeiture of Matching Contributions. Any Matching contributions which are attributable to Salary Deferral Contributions required to be distributed under paragraph (a) of this Section shall be forfeited as of the date of the distribution of such Excess Deferrals.

4.3 Limitations on Salary Deferral Contributions. Salary Deferral Contributions of Eligible Employees who are Highly Compensated Employees for a Plan Year shall be subject to the limitations of this Section. For purposes of this Section 4.3 and Section 4.4, Eligible Employees shall be those Eligible Employees who are eligible to participate in the Plan for the applicable Plan Year.

(a) Average Actual Deferral Percentage. The Average Actual Deferral Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(i) The Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(ii) The excess of the Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the Plan Year over the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year shall not exceed 2 percentage points, and the Average Actual Deferral Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year multiplied by 2.

(iii) For the first Plan Year that the Plan permits any Participant to make Salary Deferral

contributions, for purposes of this Section 4.3(a), the prior Plan Year's Nonhighly Compensated Employee's Average Actual Deferral Percentage shall be 3 percent, unless the Employer elects to use the Plan Year's actual Average Deferral Percentage for such Nonhighly Compensated Employees.

(iv) For the Plan Year beginning January 1, 2000, in performing the tests set forth in (i) and (ii) of this Section 4.3(a), the Average Actual Deferral Percentage for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year shall be the Average Actual Deferral Percentage for the current Plan Year for Eligible Employees who are Nonhighly Compensated Employees for the current Plan Year.

(b) Definitions. For purposes of this Section, the following definitions shall be used:

(i) "Actual Deferral Percentage" shall mean the ratio (expressed as a percentage) of Salary Deferral Contributions made on behalf of an Eligible Employee for a Plan Year (including Excess Deferrals of Highly Compensated Employees) to the Eligible Employee's ADP Compensation for such Plan Year.

(ii) "Average Actual Deferral Percentage" shall mean, for a specified group of Eligible Employees for a Plan Year, the average (expressed as a percentage)

of the Actual Deferral Percentages of the Eligible Employees in such group for a Plan Year.

(iii) "ADP Compensation" shall mean for any Plan Year, Adjusted Compensation received during the Plan Year by an Eligible Employee; provided, however, that at the election of the Committee, ADP Compensation may be limited to Adjusted Compensation received by an Eligible Employee for the portion of the Plan Year in which such Eligible Employee was eligible to participate in the Plan. For purposes of this Section, Adjusted Compensation shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

(c) Special Rules.

(i) Except as provided below, if, in addition to this Plan, an Eligible Employee who is a Highly Compensated Employee participates in one or more cash or deferred arrangements of the Employer or an Affiliate for a Plan Year, all of such arrangements shall be treated as one cash or deferred arrangement for purposes of determining the Actual Deferral Percentage of such Eligible Employee. However, if the cash or deferred arrangements have different plan years, this subparagraph shall be applied by treating

all cash or deferred arrangements ending with or within the same calendar year as a single arrangement. Notwithstanding the foregoing, plans that are not permitted to be aggregated are not required to be aggregated for purposes of this subparagraph.

(ii) In the event that this Plan is aggregated with one or more other plans for purposes of Sections 401(a)(4) and 410(b) of the Code (other than for purposes of the average benefits percentage test), this Section 4.3 shall then be applied by determining the Average Actual Deferral Percentage of Eligible Employees as if all of such plans were a single plan. Plans may be aggregated under this subparagraph only if they have the same plan year.

(iii) If during a Plan Year the projected aggregate amount of Salary Deferral Contributions to be allocated to all Participants who are Highly Compensated Employees under this Plan would cause the Plan to fail to satisfy the tests set forth in Section 4.3(a), the Committee may then automatically reduce or restrict Highly Compensated Employees' deferral elections made pursuant to Section 3.1 by the amount necessary to satisfy one of the tests set forth in Section 4.3(a)

(iv) The Employer may, in its sole discretion, make a "Qualified Non-Elective Contribution" (as such term is defined in Section 401(m)(4)(C) of the

Code) for a Plan Year on behalf of some or all Nonhighly Compensated Employees (as determined by the Employer) in accordance with the provisions of Treas. Reg. §1.401(k)-1(b)(5). Any such Qualified Non-Elective Contribution made on behalf of a Nonhighly Compensated Employee for a Plan Year shall be treated as a Salary Deferral Contribution for such Plan Year for purposes of determining whether the provisions of Section 4.3(a) are satisfied for such Plan Year. Any Qualified Non-Elective Contribution made on behalf of a Nonhighly Compensated Employee shall be fully vested at all times and shall be subject to all restrictions on withdrawals applicable to Salary Deferral Contributions under the Plan.

(v) The determination and treatment of the Salary Deferral Contributions and the Actual Deferral Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

4.4 Distribution of Excess Salary Deferral Contributions.

(a) In General. Notwithstanding any other provision of the Plan, Excess Salary Deferral Contributions and income or loss allocable thereto shall be distributed to those Highly Compensated Employees on whose behalf such Salary Deferral Contributions were made for a Plan Year on the basis of the amount of Salary Deferral Contributions made on behalf of each of such Highly Compensated Employees. Such distributions shall, to the

extent practicable, be made within 2-1/2 months after the close of such Plan Year (in order to avoid the 10 percent excise tax under Section 4979 of the Code) and in no event later than the last day of the Plan Year immediately following the Plan Year for which such excess Salary Deferral Contributions were made. Such distributions of Excess Salary Deferral Contributions and the income or loss allocable thereto shall be considered distributions of the Salary Deferral Contributions of the affected Participants for such Plan Year. Any Excess Salary Deferral Contributions and income allocable thereto which are required to be distributed pursuant to this Section 4.4 shall be distributed in the following order of priority:

(i) First, from the portion of the Salary Deferral Contributions for the preceding Plan Year that was not subject to a Matching Contribution under Section 3.2; and

(ii) second, from the portion of the Salary Deferral Contributions for the preceding Plan Year that was subject to a Matching Contribution under Section 3.2.

(b) Excess Salary Deferral Contributions. For purposes of this Section, "Excess Salary Deferral Contributions" shall mean, with respect to any Plan Year, the excess of:

(i) The aggregate amount of Salary Deferral Contributions actually taken into account in computing

the Actual Deferral Percentages of Highly Compensated Employees for such Plan Year, over

(ii) the maximum amount of such contributions permitted by the Average Actual Deferral Percentage test described in Section 4.3(a) (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Deferral Percentages, beginning with the highest of such percentages).

Excess Salary Deferral Contributions shall be considered as Annual Additions for purposes of Section 4.7 even if they are distributed from the Plan.

(c) Determination of Income or Loss. Excess Salary Deferral Contributions shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment shall be made for any income or

loss attributable to the period between the end of the Plan Year for which the Excess Salary Deferral Contributions are being distributed and the date of distribution.

(d) Reduction for Excess Deferrals Distributed. The amount of Excess Salary Deferral Contributions to be distributed to the Participant pursuant to this Section shall be reduced by the amount of the Excess Deferrals previously distributed to the Participant pursuant to Section 4.2 above for the Participant's taxable year ending with or within the Plan Year.

(e) Forfeiture of Matching Contribution. Any Matching Contributions which are attributable to Excess Salary Deferral Contributions required to be distributed under paragraph (a) of this Section shall be forfeited as of the date of the distribution of such Excess Salary Deferral Contributions.

4.5 Limitations on Qualified Contributions. Qualified Contributions (as defined in paragraph (b)(iv)) of Eligible Employees who are Highly Compensated Employees for a Plan Year shall be subject to the limitations of this Section. For purposes of this Section 4.5, Eligible Employees shall be those Employees who are eligible to participate in the Plan for the applicable Plan Year.

(a) Average Actual Contribution Percentage. The Average Actual Contribution Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(i) The Average Actual Contribution Percentage for a Plan Year for Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for the prior Plan Year for Employees who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(ii) The excess of the Average Actual Contribution Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the

Plan Year over the Average Actual Contribution Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year shall not exceed 2 percentage points, and the Average Actual Contribution Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year multiplied by 2.

(iii) For the first Plan Year that the Plan permits any Participant to make Salary Deferral Contributions, for purposes of this Section 4.5(a), the prior Plan Year's Nonhighly Compensated Employee's Average Actual Contribution Percentage shall be 3 percent, unless the Employer elects to use the Plan Year's actual Average Actual Contribution Percentage for such Nonhighly Compensated Employees.

(iv) For the Plan Year beginning January 1, 2000, in performing the tests set forth in (i) and (ii) of this Section 4.5(a), the Average Actual Contribution Percentage for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year shall be the Average Actual Contribution Percentage for the current Plan Year for Eligible Employees who are

Nonhighly Compensated Employees for the current Plan Year.

(b) Definitions. For purposes of this Section, the following definitions shall be used:

(i) "Actual Contribution Percentage" shall mean the ratio (expressed as a percentage) of Qualified Contributions made on behalf of an Eligible Employee for a Plan Year to the Eligible Employee's ACP Compensation for such Plan Year.

(ii) "Average Actual Contribution Percentage" shall mean, for a specified group of Eligible Employees for a Plan Year, the average (expressed as a percentage) of the Actual Contribution Percentages of the Eligible Employees in such group for a Plan Year.

(iii) "ACP Compensation" shall mean for any Plan Year, Adjusted Compensation received during the Plan Year by an Eligible Employee for personal services actually rendered in the course of employment with the Employer during such Plan Year; provided, however, that at the election of the Committee, ACP Compensation may be limited to Adjusted Compensation received by an Eligible Employee for the portion of the Plan Year in which such Eligible Employee was eligible to participate in the Plan. For purposes of this Section, Adjusted Compensation shall include Salary Deferral Contributions, any pre-tax salary reduction contributions

under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

(iv) "Qualified Contribution" shall mean for any Plan Year, the sum of (A) Matching Contributions made for the Plan Year and (B) After Tax Contributions made during such Plan Year.

(c) Special Rules.

(i) Except as provided below, if, in addition to this Plan, an Eligible Employee who is a Highly Compensated Employee participates in one or more cash or deferred arrangements of the Employer or an Affiliate for a Plan Year, all of such arrangements shall be treated as one cash or deferred arrangement for purposes of determining the Actual Contribution Percentage of such Eligible Employee. However, if the cash or deferred arrangements have different plan years, this subparagraph shall be applied by treating all cash or deferred arrangements ending with or within the same calendar year as a single arrangement. Notwithstanding the foregoing, plans that are not permitted to be aggregated are not required to be aggregated for purposes of this subparagraph.

(ii) In the event that this Plan is aggregated with one or more other plans for purposes of Sections 401(a)(4) and 410(b) of the Code (other than

for purposes of the average benefits percentage test), this Section 4.5 shall then be applied by determining the Average Actual Contribution Percentage of Eligible Employees as if all of such plans were a single plan. Plans may be aggregated under this subparagraph only if they have the same plan year.

(iii) In determining the Actual Contribution Percentage of Highly Compensated Employees and/or Nonhighly Compensated Employees, the Committee may elect to treat Salary Deferral Contributions as Qualified Contributions, provided that (A) the Plan satisfies the Average Actual Deferral Percentage limitation set forth in Section 4.3(a) prior to the exclusion of any Salary Deferral Contributions which are treated as Qualified Contributions and (B) the Plan continues to satisfy the Actual Deferral Percentage limitation after the exclusion of such Salary Deferral Contributions.

(iv) If during a Plan Year the projected aggregate amount of Qualified Contributions to be allocated to all Participants who are Highly Compensated Employees under this Plan would cause the Plan to fail to satisfy the tests set forth in Section 4.5(a), the Committee may then automatically reduce or restrict the After Tax Contributions being made pursuant to Section 3.3

by an amount necessary to satisfy one of the tests set forth in Section 4.5(a).

(v) The determination and treatment of the Qualified Contributions and the Actual Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

(d) Multiple Use Limitation.

(i) Notwithstanding any other provision contained in this Section 4.5, if the Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees satisfies the alternative set forth in subparagraph (ii) of Section 4.3(a) but does not satisfy subparagraph (i) of Section 4.3(a), and the Average Actual Contribution Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees satisfies the alternative set forth in subparagraph (ii) of Section 4.5(a) but does not satisfy subparagraph (i) of Section 4.5(a), a special limitation shall apply. Under this limitation, the sum of the Average Actual Deferral Percentages for a Plan Year for the Eligible Employees who are Highly Compensated Employees plus the Average Actual Contribution Percentages for such Plan Year for such Eligible Employees may not exceed the greater of:

(A) the sum of the maximum Average Actual Deferral Percentage permissible for Eligible Employees who are Highly Compensated Employees under subparagraph (i) of Section 4.3(a) plus the maximum Average Actual Contribution Percentage for such Eligible Employees under subparagraph (ii) of Section 4.5(a); or

(B) the sum of the maximum Average Actual Deferral Percentage permissible for Eligible Employees who are Highly Compensated Employees under subparagraph (ii) of Section 4.3(a) plus the maximum Average Actual Contribution Percentage permissible for such Eligible Employees under subparagraph (i) of Section 4.5(a).

(ii) In determining whether the Plan satisfies the multiple use limitation set forth in this paragraph (d), the Committee may elect to apply the rules set forth in subparagraph (iv) of Section 4.5(c).

(iii) If the multiple use limitation set forth in this paragraph (d) is not satisfied, either Salary Deferral Contributions shall be distributed in accordance with the provisions of Section 4.4, or Qualified Contributions shall be distributed or forfeited in accordance with the provisions of Section 4.6, to the extent necessary to satisfy such limitation.

4.6 Distribution or Forfeiture of Excess Qualified Contributions.

(a) In General. Notwithstanding any other provision of the Plan, Excess Qualified Contributions and income or loss allocable thereto shall either be forfeited, if forfeitable under the provisions of Section 7.3, or distributed to those Highly Compensated Employees on whose behalf such Qualified Contributions were made for a Plan Year on the basis of the amount of Qualified Contributions made on behalf of each of such Highly Compensated Employees. Such distributions shall, to the extent practicable, be made within 2-1/2 months after the close of such Plan Year (in order to avoid

the 10 percent excise tax; under Section 4979 of the Code) and in no event later than the last day of the Plan Year immediately following the Plan Year for which such excess Qualified Contributions were made. Such distributions of Excess Qualified Contributions and the income or loss allocable thereto shall be considered distributions of the Qualified Contributions of the affected Participants for such Plan Year. Any Excess Qualified Contributions and income allocable thereto which are required to be distributed pursuant to this Section 4.6 shall be distributed in the following order of priority:

(i) First, from the After Tax Contributions contributed by the Participant to the Plan during the preceding Plan Year that were not subject to Matching Contributions under Section 3.2;

(ii) second, from the After Tax Contributions contributed by the Participant to the Plan during the preceding Plan Year that were subject to Matching Contributions under Section 3.2 (the Matching Contributions which are attributable to such After Tax Contributions shall be forfeited regardless of whether such Matching Contributions are forfeitable under the provisions of Section 7.3); and

(iii) third, from the Matching Contributions made on behalf of the Participant for the preceding Plan Year.

(b) Excess Qualified Contributions. For purposes of this Section, "Excess Qualified Contributions" shall mean, with respect to any Plan Year, the excess of:

(i) The aggregate amount of Qualified Contributions actually made on behalf of Highly Compensated Employees for such Plan Year, over

(ii) the maximum amount of Qualified Contributions permitted by the Average Actual Contribution Percentage test described in Section 4.5(a) (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Contribution Percentages, beginning with the highest of such percentages).

Excess Qualified Contributions shall be considered as Annual Additions for purposes of Section 4.7 even if they are distributed from the Plan.

(c) Determination of Income or Loss. Excess Qualified Contributions shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment shall be made for any income or loss attributable to the period between the end of the calendar year and the date of distribution.

(d) For purposes of this Section "Qualified contributions" shall mean for any Plan Year the sum of (A) Matching Contributions made for the Plan Year and (B) After Tax Contributions made during such Plan Year.

4.7 Limitation on Contributions.

(a) The Annual Additions credited to a Participant under this Plan for any Limitation Year shall not exceed the lesser of (i) 25 percent of the Participant's Adjusted Compensation or (ii) $30,000 (as adjusted by the Adjustment Factor).

(b) Notwithstanding the foregoing, the compensation limitation referred to in subsection (a)(i) shall not apply to:

(i) Any amount otherwise treated as an Annual Addition under Section 415(1)(1) of the Code, or

(ii) Any contribution for medical benefits otherwise treated as an Annual Addition under Section 419A(d) (2) .

(c) In applying the limitations of paragraph (a):

(i) All "defined contribution plans" of the Employer or its Affiliates shall be aggregated with this Plan.

(ii) If "annual additions" (within the meaning of Section 415(c)(2) of the Code) are credited to a Participant's accounts under any other qualified defined contribution plan maintained by the Employer or any Affiliate that is required to be aggregated under subparagraph (i), the maximum amount of Annual Additions that may be credited to such Participant under this Plan shall be limited to the excess of the limitations described in paragraph (a) over the amount of the annual additions credited to the Participant under such other qualified defined contribution plans.

(d) For purposes of this Section: (i) "defined contribution plan" shall mean a plan which provides for an individual account for each Participant and for benefits based solely on the amount contributed to the accounts of the Participant, and any income, expenses, gains and losses which may be credited to such Participant's accounts; (ii) the definition of "Affiliate" shall be modified by Section 415(h) of the Code; and (iii) "Adjusted Compensation" shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a code Section 132(f) transportation program.

(e) Subject to paragraph (f), in no event shall Annual Additions be made under this Plan for any Participant in a Limitation Year to the extent that there is an amount credited to such Participant's accounts in excess of the maximum amount permitted under this Section.

(f) If the amount of Annual Additions which are credited to a Participant under this Plan for any Limitation Year exceeds the maximum amount permitted under this Section ("Excess Annual Additions"), and if such excess was caused by the allocation of forfeitures, by a reasonable error in estimating the Participant's Adjusted Compensation, by a reasonable error in determining the amount of Salary Deferral Contributions that may be made with respect to the Participant under the limitations of this Section, or by other limited facts and circumstances, the Excess Annual Additions may be reduced for such Limitation Year in the following manner:

(i) After Tax Contributions (and any income attributable thereto) made by the Participant shall be distributed to the Participant to the extent such distributions reduce the Excess Annual Additions. Any After Tax Contributions that are so distributed shall not be considered as an Annual Addition for the Limitation Year and shall be disregarded for purposes of Section 4.5.

(ii) If there remains any Excess Annual Additions after the application of subparagraph (i) of

this paragraph, Salary Deferral Contributions (and any income attributable thereto) shall be distributed to the extent that such distributions reduce the Excess Annual Additions. Any Salary Deferral Contributions that are so distributed shall not be considered as an Annual Addition for the Limitation Year and shall be disregarded for purposes of Sections 4.1, 4.3 and 4.5.

(iii) If there remains any Excess Annual Additions after the application of subparagraphs (i) and (ii) of this paragraph, such Excess Annual Additions shall be used to reduce Matching Contributions for the next Limitation Year (and succeeding Limitation Years, as necessary) for the Participant. However, if the Participant is not participating in the Plan for the applicable Limitation Year, the Excess Annual Additions shall be held in a suspense account for that Limitation Year and credited to the next Limitation Year to all remaining Participants in the same proportion as the Compensation paid to such Participants during such Limitation Year. Furthermore, the Excess Annual Additions shall be used to reduce Matching Contributions for the next Limitation Year (and succeeding Limitation Years, as necessary) for all of such Participants. Any Excess Annual Additions that are treated in accordance with this subparagraph (iii) for

the Limitation Year shall not be considered as Annual Additions for such Limitation Year.

(iv) If a suspense account is in existence at any time during the Limitation Year, investment gains and losses and other income and expenses shall not be allocated to the suspense account.

(v) If this Plan is terminated and at the time of such termination a balance remains in the suspense account which, because of the limitations imposed by this Section, cannot be credited to any Participant, such balance shall revert to the Employer.

4.8 Limitation on Compensation. For purposes of this Plan, Compensation, ADP Compensation and ACP Compensation (collectively "Contribution Compensation") of a Participant for a Plan Year in excess of $160,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account.

ARTICLE V

INVESTMENT OF TRUST ASSETS

5.1 Investment Funds.

Each Participant's Accounts under the Plan, shall be invested in the Investment Funds in the proportions and amounts as determined by the Participant pursuant to Section 5.2.

5.2 Investment Options of Participants.

(a) Each Participant shall elect to invest his Account Balance under the Plan in the Investment Funds maintained by the Trustee under Section 12.2 in such proportions as the Participant shall indicate. All investment directions, including requests for changes or transfers, shall be subject to such rules and regulations as the Committee shall determine in a uniform and nondiscriminatory manner.

(b) The Trustee shall take such steps as are necessary to make the investments in accordance with the designations, changes in designations, or transfer request made by Participants.

(c) The selection of any Investment Fund is the sole and exclusive responsibility of each Participant and it is intended that the selection of an Investment Fund by each Participant be within the parameters of Section 404(c) of ERISA and the regulations thereunder. None of the Employer, nor the Trustee, nor any Committee member, nor any of the directors, officers, agents or Employees of the Employer are empowered to or

shall be permitted to advise a Participant as to the manner in which his Account Balance shall be invested or changed. No liability whatsoever shall be imposed upon the Employer, the Trustee, any Committee member, or any director, officer, agent or Employee of the Employer for any loss resulting to a Participant's account because of any sale or investment directed by a Participant under this Section or because of the Participant's failure to take any action regarding an investment acquired pursuant to such elective investment.

ARTICLE VI

VALUATION OF TRUST ASSETS

6.1 Time and Manner of Valuation. As of each Valuation Date, the Trustee shall value all of the assets in each Investment Fund maintained under Section 12.2 for the purpose of determining the amount, if any, of the net increase or net decrease in the fair market value of each such Fund. The fair market value of each Investment Fund shall represent the fair market value of all securities or other property held thereunder, plus cash and accrued earnings, less accrued expenses and proper charges against each Fund as of the Valuation Date. The Trustee's determination shall be final and conclusive for all purposes of this Plan.

6.2 Allocation of Net Increase and Net Decrease to Accounts of Participants. The Trustee shall then allocate as of such Valuation Date a part of each such net increase or net decrease to the Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account and Rollover Contribution Account of each Participant in the ratio that the balance in each such Account bears to all such Account balances.

ARTICLE VII

DISTRIBUTION OF ACCOUNT BALANCES

7.1 Payments on Account of Retirement or Disability.

(a) A Participant who ceases to be an Employee due to his Retirement or Disability shall be entitled to receive a distribution under the Plan of his entire Account Balance in the form of, except as provided in paragraph (e) of this Section and Section 18.4, a lump sum cash payment.

(b) (i) Except as otherwise provided in subparagraph (ii) of this paragraph (and subject to the provisions of Section 7.4, if applicable), any distribution under this Section on account of Retirement shall be made as soon as practicable after the Participant's Retirement, but in no event later than 60 days after the close of the Plan Year in which his Retirement occurred.

(ii) A Participant who ceases to be an Employee due to his Retirement shall be entitled to defer receipt of any distribution to be made under this paragraph until he elects to receive such distribution; provided, however, that such distribution must be made not later than April 1 of the calendar year following the calendar year in which such Participant attains the age of 70-1/2. Except as provided in paragraph (e) of this Section and Section 18.4, any distribution under this subparagraph shall be made in the form of a lump sum cash payment as soon as practicable following the

Participant's election to receive the distribution, but in no event later than the April 1 of the calendar year following the calendar year in which such Participant attains the age of 70-1/2.

(c) Any distributions under this Section 7.1 on account of Disability shall be made or commence in accordance with the provisions of paragraph (b) of this Section.

(d) Whether or not a Participant retires upon attaining his Normal Retirement Date, the Participant's interest in his Matching Contribution Account shall be fully vested as of such date.

(e) Notwithstanding paragraphs (a) and (b) of this Section 7.1, any Participant who ceases to be an Employee on account of his Retirement or Disability may elect in lieu of a lump sum cash payment to receive his distribution in the form of substantially equal monthly installments not to exceed 120. A Participant who elects to receive his distribution in the form of installments may at any time elect to receive a single lump sum cash payment of the remaining unpaid installments at any time.

7.2 Payment upon Death of Participant.

(a) If a Participant ceases to be an Employee on account of his death, or if a Participant dies after his Retirement or Disability, but before receiving or commencing to receive his Account Balance hereunder, the Participant's Beneficiary shall receive a distribution of the Participant's entire Account Balance in the form of a lump sum cash payment; provided,

however, such Participant's Beneficiary may elect to have the Participant's Account Balance payable in installments, as provided in Section 7.1(e). Any distribution under this Section shall commence as soon as practicable after the Participant's death.

(b) If a Participant who ceased to be an Employee on account of his Retirement or Disability dies after commencing to receive a distribution of his Account Balance in the form of installment payments as provided in Section 7.1(e), but prior to the completion of the distribution of the entire Account Balance, the Participant's Beneficiary shall continue such selected mode of payment, and the method of distribution shall be at least as rapid as in effect on the date of the Participant's death; provided, however, that the Participant's Beneficiary may elect to receive a single lump sum cash payment of the remaining unpaid installments.

7.3 Payments on Account of Termination of Employment.

(a) (i) A Participant who ceases to be an Employee on account of his Termination of Employment shall be entitled to receive 100% of the balance in his Salary Deferral Contribution Account, Rollover Contribution Account and After Tax Contribution Account, plus the Vested Percentage of the balance in his Matching Contribution Account. (For purposes of this Article VII, the balance in a Participant's Salary Deferral Contribution Account, Rollover Contribution Account and

After Tax Contribution Account, and the Vested Percentage of the balance in such Participant's Matching Contribution Account shall be referred to as the "Vested Account Balance".)

(ii) Except as otherwise provided in Sections 16.3, 17.3 and 18.3, the Vested Percentage of the balance in a Participant's Matching Contribution Account shall be based upon such Participant's Years of Service as of the date of his Termination of Employment in accordance with the following vesting schedule:

Years of Service	Vested Percentage
Less than 2 years	0%
2 but less than 3	25%
3 but less than 4	50%
4 but less than 5	75%
5 or more	100%

(iii) In determining a Participant's Vested Percentage in his Matching Contribution Account under the Plan, Years of Service shall be computed without regard to any Years of Service after five consecutive One-Year Breaks in service; i.e., Years of Service completed after five (5) consecutive One-Year Breaks in Service shall not be taken into account for purposes of determining a Participant's Vested Percentage in his Matching Contribution Account derived from Matching Contributions which were made before such five-year period.

(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section does not exceed $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment, provided that the Participant elects to receive such immediate distribution of his Vested Account Balance by filing an election with the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $5,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment, such Participant (hereinafter referred to as a "Terminated Vested Participant") shall receive a distribution of

his Vested Account Balance in accordance with paragraph (c) of this Section.

(c) The payment of a Terminated Vested Participant's Vested Account Balance under this paragraph (c) shall be made in a lump sum cash payment as soon as practicable after the Participant attains his Normal Retirement Age; provided, however, that the Participant may elect to receive an earlier payment of such Account Balance. If the Participant makes such an election, payment shall be made in a lump sum cash payment no later than 60 days after the end of the Plan Year in which the election is made.

(d) In the case of a Participant who receives a distribution pursuant to either paragraph (b)(i) or (b)(ii) of this Section 7.3 in connection with his Termination of Employment, the balance of such Participant's interest in his Matching Contribution Account in excess of his vested interest in such account shall be forfeited as of the date that the distribution occurs. In the case of a Terminated Vested Participant, the balance of such Participant's interest in his Matching Contribution Account in excess of his vested interest in such account shall be forfeited as of the earlier of (i) the last day of the Plan Year in

which such Participant incurs five (5) consecutive One-Year Breaks in Service or (ii) the date the Participant receives payment of his Vested Account Balance pursuant to paragraph (c) of this Section. Except as otherwise provided under paragraph (e), the amount of any forfeitures

described in this paragraph for the Plan Year, as well as any forfeitures under Sections 4.2(f), 4.4(e), 4.6(a) and 7.8 for the Plan Year, shall be applied as a credit towards any Matching Contributions to be made under Section 3.2 by the Company or Employer that made such contribution on behalf of the Participant.

(e) If a Participant who has forfeited any amounts in accordance with the provisions of this Section pursuant to his Termination of Employment shall return to the employ of the Employer prior to completing five (5) consecutive One-Year Breaks in Service, the amount so forfeited shall be restored to the Participant only if such Participant repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer. In the event of such repayment, a Matching Contribution Account shall be reestablished on behalf of such Participant and the amount forfeited shall be added to the balance of such Matching Contribution Account as of the time of his repayment of the forfeiture. Any forfeiture to be applied as a credit under paragraph (d) of this Section towards any Matching Contributions to be made by the Employer under Section 3.2 may, in the sole discretion of the Committee, be used for the purpose of restoring, as required under this paragraph, the amounts forfeited in accordance with the provisions of this Section. To the extent such forfeitures are insufficient, the Employer shall make a special contribution to restore the forfeiture.

7.4 Special Distribution Rules.

(a) (i) Notwithstanding anything to the contrary in this Article, as required by Section 401(a)(9) of the Code and the Treasury Regulations thereunder, with respect to any Participant who is a "five percent owner" (as defined in Code Section 416), the distribution of such Participant's Account Balance shall be made (or commence) in accordance with subparagraph (ii) of this paragraph no later than April 1 of the year following the calendar year in which the Participant reaches age 70-1/2, regardless of whether such Participant is still actively employed as of such date. If the Participant continues to participate in the Plan, any additional amounts credited to the Participant's Account Balance shall be distributed each year in accordance with subparagraph (ii) of this paragraph so as to satisfy the requirements of Section 401(a)(9) of the Code and the Treasury Regulations thereunder.

(ii) At the election of the Participant, the Participant's Account Balance shall either be distributed in its entirety to the Participant in accordance with Code Section 401(a)(9)(A)(i) and the Treasury Regulations thereunder, or distributed to the Participant over a period not extending beyond the life expectancy of the Participant or the life expectancy of such Participant and a designated beneficiary in accordance

with Code Section 401(a)(9)(A)(ii) and the Treasury Regulations thereunder.

(b) Any Participant who: (i) is an Employee of the Employer, (ii) has an Account Balance under the Plan that reflects assets transferred to the Plan from the Hilton Plan pursuant to Article XV, the Bally's Las Vegas Plan pursuant to Article XVI, the Bally's Park Place Plan pursuant to Article XVII, the AC Hilton Plan pursuant to Article XVIII or the ACCC Plan pursuant to Article XIX, (iii) reached age 70-1/2 prior to 1997 and (iv) began receipt of his account balance under such plan prior to his termination of employment, may elect to stop such distributions and recommence distribution of his Account Balance under this Plan in accordance with the provisions of this Article VII when such Participant ceases employment due to his Retirement, Disability or death.

(c) Notwithstanding any provision to the contrary and except as provided in paragraph (a) of this Section, the payment of benefits under this Plan to a Participant or his Beneficiary shall in all events commence within 60 days after the close of the Plan Year in which the latest of the following events occurs:

(i) the attainment by the Participant of age 65;

(ii) the tenth anniversary of the year in which the Participant first became a Participant in the Plan; or

(iii) except as otherwise provided in Section 7.1(b), the Participant's Retirement or Termination of Employment with the Employer.

(d) Notwithstanding any provision to the contrary in this Article VII, a Participant shall be entitled to receive a distribution of his Account Balance upon the termination of the Plan, provided that the Employer or Affiliate does not establish or maintain a successor plan (as defined in Treas. Reg. § 1.401(k)-1(d)(3)). Any distributions made pursuant to this paragraph (d) shall be made in accordance with Section 13.2.

(e) Notwithstanding any provision to the contrary in this Article, a Participant shall be entitled to receive a distribution of his Vested Account Balance upon the occurrence of either:

(i) The disposition by the Company to an unrelated corporation of substantially all of the assets (within the meaning of Section 409(d)(2) of the Code) used in a trade or business of the Company if the Company continues to maintain this Plan after the disposition, but only with respect to Employees who continue employment with the corporation acquiring such assets; or

(ii) the disposition by the Company to an unrelated entity of the Company's interest in a subsidiary (within the meaning of Section 409(d)(3) of the Code) if the Company continues to maintain this Plan,

but only with respect to Employees who continue employment with such subsidiary.

The occurrence of any event described in this paragraph (e) shall be treated as a Termination of Employment and any distribution made as a result of the occurrence of such event shall be made in accordance with the provisions of Section 7.3 and 18.4.

7.5 Withdrawals After Attainment of Age 59-1/2.

(a) Not more frequently than once in any six-month period, a Participant may apply in writing to the Committee for a withdrawal of all or a portion of his Vested Account Balance at any time after attaining age 59-1/2.

(b) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(c) The minimum withdrawal by a Participant under this Section 7.5 shall be $500 or, if less, the Participant's Vested Account Balance.

(d) The withdrawal of all or a portion of the Participant's Vested Account Balance shall be paid to the Participant as soon as practicable after the Participant's request is submitted to and approved by the Committee.

7.6 Hardship Distributions. A Participant shall be entitled to receive a hardship distribution of the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding

loan and any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan), if the distribution is necessary to defray an immediate and severe financial hardship incurred by the Participant.

(a) Immediate and Heavy Financial Need. For purposes hereof, an immediate and heavy financial need shall be limited to a need for funds for any of the following purposes:

(i) Unreimbursed medical expenses described in Section 213(d) of the Code incurred by the Participant, the Participant's spouse, or any dependents of the Participant (as defined in Section 152 of the Code);

(ii) Purchase (excluding mortgage payments) of a principal residence for the Participant;

(iii) Payment of tuition and related educational fees (including room and board) for the next 12 months of post-secondary education for the Participant or his spouse, children, or dependents;

(iv) Prevention of the eviction of the Participant from his principal residence or foreclosure on the mortgage on his principal residence; and

(v) Any other reason recognized by the Commissioner of Internal Revenue service in a revenue ruling, notice or other document of general applicability to constitute an immediate and heavy financial need.

A Participant requesting a hardship withdrawal must represent that he has an emergency need for funds for one of the reasons specified above. The Participant shall provide the Committee with any information and evidence which the Committee considers necessary in order to determine whether such a hardship exists and the amount of the withdrawal from the Plan that is necessary to meed the hardship.

(b) Distribution Necessary to Satisfy the Financial Need. A hardship withdrawal shall be considered to be necessary to meet such an immediate and heavy financial need only under the following circumstances:

(i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (that cannot be satisfied by distributions and/or non-taxable loans of the types described in subparagraph (ii) below). This distribution may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

(ii) The Participant has obtained (or requested) all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by the Employer or any Affiliate.

In the event of any hardship distribution to a Participant hereunder, such Participant may not make Salary Deferral

Contributions (or comparable contributions) to the Plan or to any other deferred compensation plans maintained by the Employer or any Affiliate during the 12 calendar months immediately following the date of such hardship withdrawal. The Participant also may not make Salary Deferral Contributions (or comparable contributions) to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate, for the calendar year immediately following the calendar year of the hardship withdrawal, in excess of the applicable limit under Section 402(g) of the Code for such next calendar year less the amount of such Participant's Salary Deferral Contributions (or comparable contributions) made on his behalf to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate for the calendar year of the hardship distribution.

The foregoing provisions shall be applied on a uniform and nondiscriminatory basis and shall be subject to such changes as the Committee may deem to be necessary at any time to comply with Treasury Regulations or other rules issued under section 401(k) of the Code.

(c) Additional Operating Rules. The following rules shall apply to each request for a hardship distribution by a Participant:

(i) The Participant's request for a hardship distribution shall be made on such forms as are provided from time to time by the Committee and the Participant shall furnish the Committee with such

information as the Committee requests in its evaluation of the Participant's request.

(ii) The amount of any hardship distribution shall in no event exceed the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan and any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan).

(iii) A hardship distribution to a Participant shall not be allowed within 12 months of an earlier hardship distribution to such Participant.

(iv) The minimum hardship withdrawal under this Section shall be $500 or, if less, the portion of the Participant's Vested Account Balance from which the Participant is eligible to receive a hardship distribution under this Section.

7.7 Rollovers to Other Plans or IRAs.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's election under the Plan, the Participant may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by Participant in a Direct Rollover.

(b) Definitions:

For purposes of this Section 7.7, the following definitions shall apply:

(i) "Eligible Rollover Distribution" shall mean any distribution of all or any portion of the Participant's Vested Account Balance, except that an Eligible Rollover Distribution does not include:

(A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more;

(B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(C) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and

(D) effective January 1, 2000, any distribution of Salary Deferral Contributions made pursuant to Section 7.6 on account of hardship.

(ii) "Eligible Retirement Plan" shall mean an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Participant's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a surviving spouse, an Eligible Retirement Plan shall mean only an individual retirement account or individual retirement annuity.

(iii) "Participant" shall mean a Participant within the meaning of Section 1.36 who is entitled to receive a distribution under the Plan. In addition, the Participant's surviving spouse and the Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code, shall be considered as Participants with regard to the interest of the spouse or former spouse.

(iv) "Direct Rollover" shall mean a payment by the Plan to the Eligible Retirement Plan specified by the Participant.

7.8 Lost Participant. If payment of a Participant's Account Balance is unable to be made under this Article VII because the Committee is unable to find the Participant or

Beneficiary to whom payment is to be made, such Participant's Account Balance shall be forfeited as of the last Valuation Date of the Plan Year in which the Committee determines that it is unable to find the Participant or Beneficiary. If the Participant or Beneficiary later makes a claim for such payment and the Committee determines that the claim is valid, the amount previously forfeited shall be restored and payment shall be made as soon as practicable following such determination.

7.9 Withdrawals of Rollover Contributions.

(a) A Participant may apply in writing to the Committee for a withdrawal of all or a portion of his Rollover Contribution Account.

(b) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(c) There shall be no minimum on the amounts that may be withdrawn under this Section.

(d) Any withdrawal made under this Section shall be paid to the Participant as soon as practicable after the Participant's written request is submitted to and approved by the Committee.

7.10 Withdrawals of After Tax Contributions.

(a) A Participant may apply in writing to the Committee for a withdrawal of all or a portion of his After Tax Contribution Account.

(b) Such withdrawal must first be made from a Participant's pre-1987 After Tax Contributions, if any, but exclusive of earnings thereon. Upon exhaustion of the Participant's pre-1987 After Tax Contributions, any further withdrawal must then be made from the Participant's post-1986 After-Tax Contributions and earnings allocable to his aggregate After-Tax Contributions under the Plan.

(c) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(d) There shall be no minimum on the amounts that may be withdrawn under this Section.

(e) The withdrawal of all or a portion of the Participant's After Tax Contributions shall be paid to the Participant as soon as practicable after the Participant's request is submitted to and approved by the Committee.

ARTICLE VIII

DESIGNATION OF BENEFICIARY

8.1 Right to Designate Beneficiary. Subject to the provisions of section 8.3, each Participant may designate in a writing filed with the Committee, a Beneficiary to whom, in the event of the Participant's death, all benefits shall be payable. The Beneficiary so designated may be changed by the Participant (subject to the provisions of Section 8.3) at any time or from time to time during his life by signing and filing a new beneficiary designation form. The records of the Committee at the time of death shall be conclusive as to the identity of the proper Beneficiary and the amount properly payable, and payment made in accordance with such facts shall constitute a complete discharge of any and all obligations hereunder.

8.2 Applicable Rules if No Beneficiary Designation is Made. If no Beneficiary designation is on file with the Committee at the time of death of the Participant, or if such designation is not effective for any reason, then such death benefit shall be payable to the deceased Participant's spouse, if living. If such spouse does not survive him, payment shall be made to the Participant's issue per stirpes, or if no issue survive him, to his estate.

8.3 Payment of Account Balance to Spouse upon Death of Participant. If the Beneficiary designated by the Participant to receive the benefits payable hereunder in the event of his death is not his spouse, then, notwithstanding the applicable provisions

of Sections 7.1, 7.2, 7.3 and Section 8.1, such benefits shall be payable to the Participant's surviving spouse unless (a) there is no surviving spouse; (b) the spouse consents, in the manner required under Section 417(a)(2)(A) of the Code, to the payment of such benefits to the designated Beneficiary; or (c) it is established to the satisfaction of the Committee that the spousal consent may not be obtained because of the conditions specified in Section 417(a)(2)(B) of the Code or in regulations promulgated under such Section of the Code.

ARTICLE IX

LOANS

9.1 Availability of Loans.

(a) Upon the application of any Participant actively employed by the Employer, the Committee may direct the Trustee to make a loan to such Participant.

(b) The terms and conditions on which the Committee will approve loans under the Plan will be applied on a reasonably equivalent basis and loans shall not be available to any Highly Compensated Employee in an amount equal to a percentage of his Account Balance which is greater than the percentage made available to other Participants.

(c) The minimum loan shall be $500 and, except as otherwise provided in this paragraph (c), only one loan may be outstanding at any time. Effective June 1, 2000, this requirement that only one loan may be outstanding at any time shall not apply to the extent that a loan (or loans) is (are) used to pay unreimbursed educational expenses incurred by the Participant, his spouse, children or dependents ("education loan"). For purposes of this paragraph, any amounts in an account attributable to an outstanding loan (or loans) made to a Participant that is (are) not an education loan (or education loans) that are transferred from any Affiliate Plan pursuant to Section 14.2, from the Hilton Plan pursuant to Article XV, from the Bally's Las Vegas Plan pursuant to Article XVI, from the Bally's Park Place Plan pursuant to Article XVII, from the AC

Hilton Plan pursuant to Article XVIII or from the ACCC Plan pursuant to Article XIX, shall be considered as one outstanding loan.

9.2 Limitations on Loans.

(a) In no event shall the total amount of a loan made to any Participant pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Participant) exceed the lesser of:

(i) 50 percent of the Participant's Vested Account Balance (as defined in Section 7.3(a)) or

(ii) $50,000.

(b) The $50,000 limitation set forth in paragraph (a) will be reduced by the excess, if any, of the highest outstanding loan balance from the Plan during the one year period ending on the day before the date on which the loan was made over the outstanding loan balance from the Plan on the date that such loan was made.

9.3 Interest Rate. Each loan shall bear a reasonable rate of interest, which rate shall be the prime rate (as determined by the Committee) as of the last day of the quarter preceding the quarter in which the loan is made, plus one percent. Furthermore, the Participant's Account Balance may be charged a set-up fee and/or maintenance fee (as determined by the Committee).

9.4 Security for Loan. Any loan made pursuant to this Section shall be secured by the Participant's Vested Account Balance.

9.5 Term of Loan.

(a) The term of any loan shall not be for more than five (5) years; provided, however, that the term of a loan used for the purpose of acquiring a dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant may be for a period of up to fifteen (15) years.

(b) Notwithstanding the foregoing, the Committee shall require any such loan to be repaid at the time the Participant ceases to be an Employee. If the loan is not timely repaid, the Committee shall use the remedies provided under Section 9.8 to recover such loan.

9.6 Loan Agreement. Each Participant to whom a loan is made under this Section shall enter into an agreement with the Committee. Such agreement shall set forth the principal amount of the loan, the repayment terms (subject to the provisions of Section 9.7), the interest rate and the provisions for securing the loan in accordance with Section 9.4.

9.7 Repayment of Loan.

(a) Payments of principal and interest shall be made by payroll deduction or in any other manner agreed to by the Participant and the Committee; provided, however, that in all cases, loan repayments of principal and interest shall be made in substantially level amounts and shall be made no less frequently than quarterly over the term of the loan.

(b) Principal and interest payments with respect to the loan shall be credited solely to the appropriate account of the borrowing Participant from which the loan was made based upon the Participant's current investment elections. Any loss caused by nonpayment or other default on a Participant's loan obligations shall be borne solely by such Participant's appropriate account.

(c) If a Participant is on an unpaid leave of absence, such Participant shall be obligated to repay the loan in the manner agreed to by such Participant and the Committee.

(d) A loan may be repaid in full as of any date without penalty.

9.8 Collection of Loan. In the event that the Participant does not repay such loan within the time and manner prescribed by the repayment terms, in addition to any legal remedies the Committee may have, the Committee shall offset the unpaid amount of such loan against any distribution payable to such Participant or Beneficiary under Article VII no earlier than at the time such distribution would first become payable thereunder and the Participant shall be considered to having consented to a deemed distribution of the unpaid loan amount. In the event that the amount of any such offset is not sufficient to repay the remaining balance of any such loan, such Participant shall be liable for and continue to make payments on any balance still due from him.

9.9 Loan Guidelines. The Committee may issue loan guidelines, which shall form part of the Plan, describing the procedures and conditions for making and repaying loans, and the administrative fees due from Participants to take a loan, and may revise those guidelines at any time and for any reason.

ARTICLE X

TOP HEAVY RULES

10.1 Notwithstanding anything contained herein to the contrary, the provisions of this Article X shall become effective only for Plan Years in which the Plan is a Top-Heavy Plan.

10.2 The following words and phrases as used in this Article X shall have the meanings specified below:

(a) "Aggregation Group" shall mean the Plan and any other plan of the Employer or Affiliate intended to qualify under Section 401(a) of the Code:

(i) in which a Key Employee is a participant;

(ii) which enables a plan in which a Key Employee is a participant to meet the requirements of Section 401(a) or Section 410 of the Code.

The Aggregation Group shall also include any plan that is not described above, but which is designated by the Employer to be part of such Group, provided that the Group continues to meet the requirements of Code Sections 401(a)(4) and 410 with such plan being taking into account.

(b) "Compensation" shall mean the term as defined in Section 1.16.

(c) "Determination Date" shall mean, with respect to any Plan Year, the last day of the preceding Plan Year or, in the case of the first Plan Year, the last day thereof.

(d) "Key Employee" shall mean any person described in Section 416(i)(1) of the Code and shall, with respect to a Key Employee's cumulative accrued benefits and aggregated account balances, include any Beneficiary of such Key Employee.

(e) "Non-Key Employee" shall mean any Employee who is not a Key Employee and shall, with respect to a Non-Key Employee's cumulative accrued benefits and aggregated account balances, include a Beneficiary of such Non-Key Employee.

(f) "Top-Heavy Group" shall mean the Aggregation Group if the sum, as of the Determination Date, of:

(i) the present value of the cumulative accrued benefits for Key Employees under all defined benefit plans in such Aggregation Group, plus

(ii) the aggregate of the accounts of Key Employees under all defined contribution plans included in such Aggregation Group, exceed sixty percent (60%) of a similar sum determined for all employees.

(g) "Top-Heavy Plan" shall mean with respect to any Plan Year, the Plan if, as of the Determination Date, the Plan is not part of an Aggregation Group and the aggregate of the accounts under the Plan of all Key Employees exceeds sixty percent (60%) of the aggregate of the accounts under the Plan of all employees, or if, as of the Determination Date, the Plan is part of a Top-Heavy Group. In determining the amount of the account or the cumulative accrued benefit of any employee for purposes of determining if the Plan is a Top-Heavy Plan,

including the determination of whether the Aggregation Group is a Top-Heavy Group, the present value of the cumulative accrued benefit for the employee and the amount of the account of the employee, as the case may be with respect to any plan, shall be increased by the aggregate distributions made with respect to such employee under such plan during the Plan Year that includes the Determination Date or during the four preceding Plan Years; and the credit balance of any employee who has not received any Compensation from the Employer at any time during the 5-year period ending on the Determination Date shall be disregarded.

10.3 Notwithstanding the provisions of Article III hereof, for each Plan Year in which this Plan is a Top-Heavy Plan, the Employer shall make a contribution (not including Salary Deferral Contributions) on behalf of each Eligible Employee who is a Non-Key Employee and is employed by the Employer on the last day of such Plan Year, in an amount equal to the lesser of (a) 3 percent of such Eligible Employee's Compensation for such Plan Year or (b) the largest percentage contribution amount (including Salary Deferral Contributions) allocated to any Key Employee for such Plan Year.

ARTICLE XI

ADMINISTRATION OF THE PLAN

11.1 Definitions. For purposes of this Plan:

(a) "Fiduciary" shall mean any person who exercises any discretionary authority or discretionary control respecting the management or disposition of Plan assets, renders any investment advice for a fee or other compensation with respect to Plan assets, or exercises any discretionary authority or responsibility for Plan administration, and includes the Named Fiduciaries.

(b) "Named Fiduciaries or Named Fiduciary" shall mean:

(i) The Committee established to administer the Plan. The Committee shall have no responsibility relating to the management and control of the assets of the Plan, other than the responsibility to reconsider the policy and method of funding the Plan as provided in this Article.

(ii) The Trustee who shall be a Named Fiduciary only with respect to the management and control of the assets of the Plan.

11.2 Administration.

(a) The Committee shall have the authority to control and manage the operation and administration of the Plan in accordance with the responsibilities set forth in this Article, and shall have sole authority and discretion to determine all questions arising in the administration of the Plan, including questions relating to eligibility for, and the amount of,

benefits under the Plan. The Committee shall consist of one or more individuals appointed by the Company. In the absence of any such appointment, the Company shall serve as the Committee.

(b) A majority of the Committee members serving at the time shall constitute a quorum for the transaction of business of the Committee. All resolutions or other actions taken by the members at any meeting shall be by a vote of a majority of those present at such meeting. Except when reconsidering the policy and method of funding the Plan under this Article, upon concurrence in writing of the majority of the Committee members at the time in office, they may take action otherwise than at a meeting of the Committee provided that detailed records of such action shall be kept.

(c) The Committee may authorize any one or more individuals to execute any documents on behalf of the Committee, and any such documents so executed shall be accepted and relied upon as representing action by the Committee until the Committee shall revoke such authorization.

(d) The Committee may from time to time establish rules and regulations to implement the provisions of this Plan. The records of the Employer, as certified to the Committee, shall be conclusive with respect to any and all factual matters dealing with the employment of a Participant. The Committee shall interpret the Plan and shall have sole authority and discretion to determine all questions arising in the administration, interpretation and application of the Plan, and all such determinations

by the Committee shall be conclusive and binding on all persons subject, however, to the provisions of the Code and ERISA.

(e) The Committee shall direct the Trustee to make payments from the Fund to Participants or Beneficiaries who qualify for such payments hereunder. Such order to the Trustee shall specify the name of the Participant or Beneficiary, his Social Security number, his address, and the amount and frequency of such payments.

(f) The Trustee may request instructions in writing from the Committee on any matters affecting the Trust and may rely and act thereon.

(g) The Committee shall be the agent for receipt of service of process by the Plan.

11.3 Allocation and Delegation of Responsibilities.

(a) The Committee may allocate among its members and may delegate to persons who are not members of the Committee any of its duties and responsibilities other than the responsibility to reconsider the policy and method of funding the Plan as provided in this Article.

(b) The Committee may employ or engage accountants, legal counsel, actuaries, custodians, agents or other persons to render advice or perform ministerial duties with regard to any responsibility or duty which the Committee has under the Plan. To the extent permitted by law, a member of the Committee shall not be precluded from rendering such advice in his individual capacity, and shall be entitled to rely upon and be fully protected

in any action taken by him in good faith in reliance upon any opinions or reports which shall be furnished to him by such accountants, legal counsel, actuaries, custodians, agents or other persons.

(c) The Company may appoint an Investment Manager or Managers to manage, acquire and dispose of any assets of the Plan. Any such Investment Manager shall be an investment adviser registered under the Investment Advisers Act of 1940, a bank as defined in that Act, or an insurance company qualified to perform investment services under the laws of at least two States. The appointment of any such Investment Manager shall not be effective until such Investment Manager has acknowledged in writing that it is a Fiduciary with respect to the Plan.

(d) The Committee shall periodically, but at least annually, review the performance of any persons to whom any duties or responsibilities have been allocated or delegated, and any persons who are employed or engaged to render advice or perform ministerial services. The Committee may require such formal or informal reports from such persons as it shall deem prudent and appropriate, and shall promptly terminate such allocation, delegation, employment, or engagement upon its determination that any such person or persons have failed to discharge their obligations to the satisfaction of the Committee or with the standard of care which would be imposed upon the Committee in the absence of such allocation, delegation, employment, or engagement.

(e) The Plan may purchase insurance for any Fiduciary to cover liability or losses occurring by reason of the act or omission of such Fiduciary, but such insurance shall permit recourse by the insurer against such Fiduciary in the case of a breach of a fiduciary obligation.

(f) The Company shall indemnify any Committee member, director, officer, shareholder or Employee against any and all claims, losses, damages, expenses and liabilities arising from their responsibilities in connection with the Plan, unless the same is determined to be due to gross negligence or willful misconduct.

(g) Nothing herein shall prevent any person or group of persons from serving in more than one fiduciary capacity with respect to the Plan, nor prevent an Employee or Participant from serving as a Fiduciary with respect to the Plan.

11.4 Standard of Conduct.

(a) In discharging their duties, the Fiduciaries shall act with the skill, care, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. All Fiduciaries shall discharge their duties with respect to this Plan solely in the interests of the Participants and Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries and paying reasonable expenses of administering the Plan; provided that contributions

(or the assets attributable thereto) may be returned to the Employer under Section 3.6 of this Plan.

The foregoing paragraph is not intended as a comprehensive statement of all responsibilities and duties of Fiduciaries under ERISA or any other applicable law, and the Fiduciaries shall be subject to all other duties and responsibilities which may be imposed by ERISA or other applicable law.

(b) Acquisition and holding by the Plan of “qualifying employer securities” and “qualifying employer real property”, as defined in ERISA, shall be permitted in accordance with the provisions of Section 407 of ERISA.

(c) The Committee shall periodically, but at least annually, reconsider the policy and method of funding the Plan and shall take such action as it deems necessary and advisable to implement its determinations. Such reconsideration shall take into account the short and long term financial needs of the Plan.

11.5 Resignation and Removal.

(a) A member of the Committee may resign by delivering to the Company a written notice of his resignation to take effect not less than sixty (60) days after the delivery thereof, unless notice of a shorter duration shall be accepted as adequate.

(b) Any member of the Committee may be removed by the Company by delivering to such member or by mailing to him via registered mail at his last known address, a written notification of such removal duly executed by the Company, which shall take

effect not less than sixty (60) days after delivery thereof, unless notice of a shorter duration shall be accepted as adequate.

(c) When any member of the Committee shall cease to serve because of resignation, death, removal or otherwise, if no Committee members would continue to serve, the Company shall fill the vacancy; if one or more Committee members would otherwise continue to serve, the Company may, but need not, fill the vacancy.

11.6 Bonding Requirement. All Fiduciaries and any other persons who handle assets of the Plan shall serve under such bond as may be required by ERISA, or other applicable law, but in the absence of any such requirement, shall serve without bond. The Plan shall purchase the bond for any Committee member, director, officer, shareholder or Employee who is required to serve under bond.

11.7 Benefit Claims and Appeals. The claim of any person (hereinafter referred to as the "Claimant") with respect to any benefits to which such Claimant may be entitled under the Plan shall be considered in accordance with the following procedure:

(a) Any Claimant may make written application to the Committee for benefits to which he believes he is entitled, at the time the application is made, under the Plan. Such application shall set forth all information necessary to determine whether the claim should be approved or denied. The Committee shall furnish to the Claimant an acknowledgment of his application,

including a notice of the time limits set forth in this Section 11.7.

(b) The Committee shall either approve the claim and take any appropriate action, or deny the claim. Such approval or denial shall be accomplished within an initial period of ninety (90) days after receipt of the claim by the Committee unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial ninety (90) day period. Any such extension shall expire no later than ninety (90) days after the end of the initial period. The extension notice shall; describe the special circumstances requiring the extension of time and the expected date of decision.

(c) If a claim is denied, the Committee shall furnish a written notice of such action to the Claimant within the applicable time limit described in paragraph (b). Such notice shall set forth, in a manner calculated to be understood by the Claimant:

(i) the specific reason or reasons for the denial;

(ii) specific reference to the pertinent provisions of this Plan on which the denial is based,

(iii) a description of any additional material or information necessary for the Claimant to perfect

his claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the review procedure, as set forth in paragraph (d).

(d) A Claimant whose claim has been denied (or to whom no written notice of denial has been furnished within the applicable time limit described in paragraph (b)) may appeal by written notice to the Committee requesting a review of the denial. The Claimant's written request for review must be submitted to the Committee within sixty (60) days after his receipt of the notice of the denial. A Claimant who wishes to appeal or has appealed a denial may:

(i) review all pertinent documents relating to his claim; and

(ii) submit issues and comments in writing for consideration by the Committee.

(e) The Committee shall render the decision on review within an initial period of sixty (60) days after receipt of the Claimant's written request for review, unless special circumstances (including the need to hold a hearing, if the Committee has provided a procedure for holding hearings) require an extension of time. Any such extension shall expire no later than sixty (60) days after the end of the initial period. If such an extension is required, written notice thereof shall be furnished to the Claimant before the end of the initial period. The decision on review shall be in writing and shall include specific reasons

for the decision, written in a manner calculated to be understood by the Claimant with specific references to the pertinent provisions of the Plan on which the decision is based.

(f) Any claim, request for review or other action which may be made or taken by the Claimant under this Section may be made or taken by the Claimant's duly authorized representative.

11.8 Records and Reports. The Committee shall keep a record of all proceedings and acts and shall keep such books of account, records, and other data as may be necessary for proper administration of the Plan. The Committee shall make the records available for examination during business hours to the Employer or any person who may be entitled to benefits under the terms of this Plan, except that any such person shall examine only such records as

pertain exclusively to such person, the Plan and Trust Agreement as currently in effect or hereafter amended, and any other documents which such person may be entitled to examine under ERISA or any other applicable law. The Committee shall also furnish to any person who may be entitled to benefits under the terms of this Plan such reports, descriptions, notifications or other materials as may be required under ERISA, the Code or other applicable law.

11.9 Expenses and Compensation of Fiduciaries.

(a) All Fiduciaries, except those receiving full time pay from the Employer may receive from the Plan, such reasonable

compensation for services rendered to the Plan as shall be determined by the Company.

(b) All Fiduciaries may be reimbursed for expenses reasonably incurred in performance of their duties upon request, unless the contract, if any, for services by such fiduciaries does not provide for the requested reimbursement.

(c) The Plan may make advances to a Fiduciary to cover expenses to be properly and actually incurred by such Fiduciary in the performance of that Fiduciary's duties with respect to the Plan, provided that

(i) the amount of the advance shall be reasonable with respect to the amount of the expense which is to be incurred, and

(ii) the Fiduciary must account to the Committee at the end of the period covered by the advance for the expenses actually incurred.

(d) Nothing shall preclude a Fiduciary from receiving any benefit to which he may be entitled under the terms of the Plan, provided that such benefit shall be computed and paid on a basis which is consistent with the terms of the Plan as applied to all other Participants and Beneficiaries.

(e) The Committee shall not be bound by any notice or other communication unless and until it shall have been received in writing addressed to the Company at:

Human Resources Department
Park Place Entertainment Corporation
3930 Howard Hughes Parkway, Suite 400
Las Vegas, NV 89109

ARTICLE XII

THE TRUST FUND

12.1 Trust Agreement. The Company has entered into an Agreement of Trust (the "Trust Agreement") with the Trustee, providing for the administration of the Fund by the Trustee, in such form and containing such provisions as are deemed appropriate. The Trust Agreement shall be deemed to form a part of this Plan, and any and all rights and benefits which may accrue to any person under this Plan shall be subject to all the terms and provisions of said Trust Agreement.

12.2 Investment Funds. The Fund shall be composed of Investment Funds designated by the Committee consisting of amounts in Participants' Salary Deferral Contributions Accounts, Matching Contributions Accounts, After Tax Contributions Accounts and Rollover Contributions Accounts and the earnings thereon that accrue from time to time.

12.3 No Segregation of Participants' Interests. Each Investment Fund may be maintained on an unallocated, undivided basis with no segregation of the interests of the Participants.

ARTICLE XIII

AMENDMENT, TERMINATION AND DISCONTINUANCE OF CONTRIBUTIONS

13.1 (a) The provisions of this Plan may be amended at any time and from time to time, by the Company through action of the Company's Board of Directors. No such amendment, however, shall:

(i) vest in the Company any interest or control over the funds accumulated in accordance with this Plan or the benefits provided hereunder, except as provided in Section 3.6;

(ii) operate to deprive a Participant of any rights or benefits irrevocably vested in him under the Plan prior to such amendment; provided, however, that if any amendment shall be necessary to conform the Plan to the provisions and requirements of the Code, any regulation issued pursuant thereto, or any other pertinent provisions of federal or state law, no such amendment shall be considered prejudicial to the interest of a Participant or his Beneficiary, or a diversion of any part of the Fund to a purpose other than for their exclusive benefit; or

(iii) increase the powers, duties or liabilities of the Trustee without the Trustee's written consent.

(b) Any modification or amendment of the Plan may be made retroactive, if the Company, on the advice of counsel, deems such retroactivity to be necessary in order for the Plan to

conform to, or satisfy the conditions of any law, governmental regulations or ruling, or to meet the requirements of the applicable sections of the Code.

13.2 (a) In the event of the termination or partial termination of the Plan, or if there is a complete discontinuance of contributions under the Plan, each affected Participant's interest in the Fund shall be fully vested as of the date of such termination, partial termination or complete discontinuance of contributions under the Plan.

(b) If the operations of the Employer continue after termination, the Fund shall either (i) continue to be held for distribution in precisely the same time and manner as pet forth in Article VII and Section 18.4 hereof or (ii) shall be held for distribution by the Trustee who shall distribute to the Participants then participating in the Fund the full amount standing to their credit, less the administrative costs to the Trustee for such distribution, in a lump sum cash payment in accordance with Article VII; provided, however, that subparagraph (ii) shall apply only if the distribution is permitted under Section 401(k)(10) of the Code and the Regulations thereunder.

(c) If the Plan is terminated and the Employer dissolves or ceases operation, the Fund shall be held for distribution by the Trustee who shall distribute to the Participants then participating in the Fund the full amount standing to their credit, less the administrative costs to the Trustee for such distribution, in a lump sum cash payment in accordance with Article VII,

provided that such distribution is permitted under Section 401(k)(10) of the Code and the Regulations thereunder.

ARTICLE XIV

SPECIAL PROVISIONS PERTAINING TO TRANSFERS TO AND TRANSFERS FROM AFFILIATES AND PLANS MAINTAINED BY AFFILIATES

14.1 Transfers To Plans Maintained By Affiliates. If a Participant becomes employed by an Affiliate and becomes eligible to participate in a qualified defined contribution plan maintained by such Affiliate, such Participant may request, by written notice to the Committee on a form prescribed by the Committee, to have his Account Balance (including any amounts in such Account Balance attributable to an outstanding loan made to such Participant) transferred into the qualified defined contribution plan of such Affiliate; provided, however, that:

(a) the terms of the defined contribution plan of such Affiliate must permit such plan to receive a direct transfer of the Participant's Account Balance, and

(b) no transfers shall be made under this Section 14.1 until the Participant is fully vested-in his Matching Contribution Account.

14.2 Transfers From Plans Maintained by Affiliates.

(a) If an Eligible Employee (i) was previously employed by an Affiliate, (ii) was a participant in a qualified defined contribution plan (that is not subject to Section 401(a)(11) of the Code) maintained by such Affiliate (an "Affiliate Plan"), and (iii) is fully vested in the entire balance of his accounts under such Affiliate Plan, such

Participant may request, by written notice to the Committee on a form prescribed by the Committee, to transfer to the Plan the entire balance of his accounts (including any amounts in such accounts attributable to an outstanding loan made to the Eligible Employee) under the Affiliate Plan.

(b) Any amounts transferred from an Affiliate Plan to this Plan under paragraph (a) shall be accounted for in accordance with the following rules:

(i) Amounts transferred from the Affiliate Plan to this Plan which are attributable to elective deferrals made pursuant to Section 401(k) of the Code and any earnings attributable to such elective deferrals, shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(ii) Amounts transferred from the Affiliate Plan to this Plan which are attributable to (A) "matching contributions" (as defined under Code Section 401(m)(4)(A)) made under the Affiliate Plan and any earnings attributable to such matching contributions, or (B) profit sharing contributions made under the Affiliate Plan and any earnings attributable to such profit sharing contributions, shall be credited to such Participant's Matching Contribution Account under this Plan.

(iii) Amounts transferred from the Affiliate Plan to this Plan which are attributable to contributions

made by the Participant to such Affiliate Plan as "rollover amounts" described under Section 402(c) of the Code and any earnings attributable to such contributions shall be credited to such Participant's Rollover Contribution Account under the Plan.

(iv) Amounts transferred from the Affiliate Plan to this Plan which are attributable to employee after-tax contributions made by the Participant to such Affiliate Plan and any earnings attributable to such employee contributions, shall be credited to such Participant's After Tax Contribution Account under the Plan.

(c) All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from an Affiliate Plan shall continue to apply with respect to such transferred amounts held under this Plan.

(d) An outstanding loan transferred to the Plan from any Affiliate Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Affiliate Plan, except that the Plan will be substituted as the obligee of the loan.

ARTICLE XV

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM THE HILTON PLAN

15.1 Transfer of Account Balances. Amounts transferred from accounts under the Hilton Plan shall be accounted for in accordance with the following rules:

(a) Amounts transferred from the Hilton Plan to this Plan consisting of a Participant's "Compensation Deferral Account" (as such term was defined in the Hilton Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Hilton Plan to this Plan consisting of a Participant's "Matching Company Contribution Account" (as such term was defined in the Hilton Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the Hilton Plan to this Plan consisting of a Participant's "Rollover Account" (as such term was defined in the Hilton Plan), shall be credited to such Participant's Rollover Contribution Account under this Plan.

(d) Amounts transferred from the Hilton Plan to this Plan consisting of a Participant's "Participant Contribution Account" (as such term was defined in the Hilton Plan), shall be credited to such Participant's After Tax Contribution Account under this Plan.

15.2 Distributions. The provisions of Sections 7.1, 7.2, 7.3 and 7.4 shall apply to any individual who has an account balance transferred from the Hilton Plan to this Plan pursuant to this Article XV.

15.3 Loans. Any outstanding loans transferred to the Plan from the Hilton Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Hilton Plan, except that the Plan will be substituted as the obligee of the loan.

15.4 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Hilton Plan shall continue to apply with respect to such transferred amounts held under this Plan.

15.5 Restoration of Forfeitures. The provisions of Section 7.3(e), relating to the restoration of forfeitures, shall apply to any individual who: (i) was a participant in the Hilton Plan, (ii) terminated employment with Hilton Hotels Corporation prior to December 31, 1998, (iii) received a distribution of his vested interest under the Hilton Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in service (including, for this purpose, any one year breaks in service that might have occurred under the Hilton Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

ARTICLE XVI

SPECIAL PROVISIONS PERTAINING TO THE MERGER OF THE BALLY'S LAS VEGAS PLAN INTO THE PLAN

16.1 General. Effective November 1, 1999, the Bally's Las Vegas Plan shall be merged into the Plan, so that all assets of the Bally's Las Vegas Plan shall be transferred to the Plan for application under the terms of the Plan and the liabilities for benefits accrued under the Bally's Las Vegas Plan through October 31, 1999 shall be assumed by the Plan.

16.2 Transfer of Account Balances. In connection with the merger of the Bally's Las Vegas Plan into the Plan, amounts reflecting the account balance in each account under the Bally's Las Vegas Plan as of November 1, 1999 with respect to each participant under the Bally's Las Vegas Plan as of such date shall be accounted for under this Plan in accordance with the following rules:

(a) Amounts transferred from the Bally's Las Vegas Plan to this Plan consisting of a Participant's "Salary Deferral Account" (as such term was defined in the Bally's Las Vegas Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Bally's Las Vegas Plan to this Plan consisting of a Participant's "Matching Account" (as such term was defined in the Bally's Las Vegas Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the Bally's Las Vegas Plan to this Plan consisting of a Participant's "Profit Sharing Account" and "Stock Account" (as such terms were defined in the Bally's Las Vegas Plan) shall be credited to a separate subaccount under such Participant's Matching Contribution Account under this Plan called the "Bally's Las Vegas Subaccount". Notwithstanding the provisions of Section 7.3 and Section 16.3, a Participant shall be 100% vested at all times in his Bally's Las Vegas Subaccount.

(d) Amounts transferred from the Bally's Las Vegas Plan to this Plan consisting of a Participant's "Rollover Account" (as such term was defined in the Bally's Las Vegas Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(e) Amounts transferred from the Bally's Las Vegas Plan to this Plan consisting of a Participant's "Voluntary Account" (as such term was defined in the Bally's Las Vegas Plan) shall be credited to such Participant's Participant After Tax Contribution Account under this Plan.

16.3 Special Vesting Rules for Participants in The Bally's Las Vegas Plan.

(a) With respect to any Participant who was a participant in the Bally's Las Vegas Plan and was credited with at least one Hour of Service under the Bally's Las Vegas Plan after December 31, 1996, the Vested Percentage of such

Participant's Matching Contribution Account shall be determined in accordance with the provisions of Section 7.3

(b) With respect to any Participant who was a participant in the Bally's Las Vegas Plan and was not credited with any Hours of Service under the Bally's Las Vegas Plan after December 31, 1996, the Vested Percentage of such Participant's Matching Contribution Account shall be based upon such Participant's Years of Service as of the date of his Termination of Employment in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 3 years	0%
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

16.4 Distributions. Except as otherwise provided in Section 16.3, the provisions of Sections 7.1, 7.2, 7.3 and 7.4 shall apply to any individual who has an account balance transferred from the Bally's Las Vegas Plan to this Plan pursuant to this Article XVI.

16.5 Loans. Any outstanding loans transferred to the Plan from the Bally's Las Vegas Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Bally's Las Vegas Plan, except that the Plan will be substituted as the obligee of the loan.

16.6 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and Treasury Regulations thereunder) that are attributable to any

amounts transferred from the Bally's Las Vegas Plan shall continue to apply with respect to such transferred amounts held under this Plan.

16.7 Restoration of Forfeitures. The provisions of Section 7.3(e), relating to the restoration of forfeitures, shall apply to any individual who: (1) was a participant in the Bally's Las Vegas Plan, (ii) terminated employment with Bally's Grand, Inc. (or after December 31, 1998, Parball Corporation, as successor to Bally's Grand, Inc.) prior to November 1, 1999, (iii) received a distribution of his vested interest under the Bally's Las Vegas Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the Bally's Las Vegas Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

ARTICLE XVII

SPECIAL PROVISIONS PERTAINING TO THE MERGER OF THE BALLY'S PARK PLACE PLAN INTO THE PLAN

17.1 General. Effective as of May 22, 2000, the Bally's Park Place Plan shall be merged into the Plan so that all assets of the Bally's Park Place Plan shall be transferred to the Plan for application under the terms of the Plan and the liabilities for benefits accrued under the Bally's Park Place Plan through May 21, 2000, shall be assumed by the Plan.

17.2 Transfer of Account Balances. In connection with the merger of the Bally's Park Place Plan into the Plan, amounts reflecting the account balance in each account under the Bally's Park Place Plan as of May 22, 2000 with respect to each participant under the Bally's Park Place Plan as of such date shall be accounted for under the Plan in accordance with the following rules:

(a) Amounts transferred from the Bally's Park Place Plan to this Plan consisting of a Participant's (A) "Additional Contributions Account" (as such term was defined in the Bally's Park Place Plan) and (B) "Basic Contribution Account" (as such term was defined in the Bally's Park Place Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Bally's Park Place Plan to this Plan consisting of a Participant's "Additional Matching Contribution Account" (as such term was defined in the

Bally's Park Place Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the Bally's Park Place Plan to this Plan consisting of a Participant's (A) "Matching Contribution Account" (as such term was defined in the Bally's Park Place Plan) and (B) "Optional Contribution Account" (as such term was defined in the Bally's Park Place Plan) shall be credited to a separate subaccount under such Participant's Matching Contribution Account under this Plan called the "Bally's Park Place Subaccount".

(d) Amounts transferred from the Bally's Park Place Plan consisting of a Participant's "Rollover Contribution Account" (as such term was defined in the Bally's Park Place Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(e) Amounts transferred from the Bally's Park Place Plan to this Plan consisting of such Participant's "Voluntary Contribution Account" (as such term was defined in the Bally's Park Place Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

17.3 Special Provisions Pertaining to Vesting of Participants in the Bally's Park Place Plan.

(a) With respect to any Participant with an initial Employment Commencement Date under the Bally's Park Place Plan (as such term was defined in the Bally's Park Place Plan) on or after January 1, 1997, the Vested Percentage of such

Participant's Matching Contribution Account shall be determined in accordance with the provisions of Section 7.3.

(b) Except as otherwise provided in subsections (c) and (d) of this Section 17.3, with respect to any Participant with an initial Employment Commencement Date under the Bally's Park Place Plan (as such term was defined in the Bally's Park Place Plan) before January 1, 1997, such Participant shall be fully vested in his Matching Contribution Account at all times.

(c) A Participant shall become vested in the Bally's Park Place Subaccount under his Matching Contribution Account (as defined in Section 17.2(c)) in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

(d) A Participant shall become vested in any Matching Contributions made to the Plan on his behalf by Bally's Park Place, Inc. under the provisions of this Section 17.3. In the event that any such Participant is transferred to the employment of another Employer, such Participant shall become vested in any Matching Contributions made on his behalf by such Employer in accordance with the provisions of Section 7.3.

17.4 Distributions. Except as otherwise provided in Section 17.3, the provisions of Section 7.1, 7.2, 7.3 and 7.4 shall apply to any individual who has an Account Balance transferred to the

Plan from the Bally's Park Place Plan pursuant to this Article XVII.

17.5 Special Rules for Certain Matching Contributions for Participants in the Bally's Park Place Plan. Notwithstanding any other provision contained herein, if a Participant (a) had amounts transferred to the Plan from the Bally's Park Place Plan pursuant to this ARTICLE XVII and (b) made Salary Deferral Contributions to the Plan during the payroll period beginning May 22, 2000 and ending May 28, 2000, such Salary Deferral Contributions shall be treated as made under the Bally's Park Place Plan for purposes of determining the Additional Matching Contribution (as defined in the Bally's Park Place Plan) to be made pursuant to Section 3.4 of the Bally's Park Place Plan, and such Salary Deferral Contribution shall not be treated as made under this Plan for purposes of determining the Matching Contribution to be made pursuant to Section 3.2 of this Plan.

17.6 Loans. Any outstanding loans transferred to the Plan from the Bally's Park Place Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Bally's Park Place Plan, except that the Plan will be substituted as the obligee of the loan.

17.7 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and Treasury Regulations thereunder) that are attributable to any amounts transferred from the Bally's Park Place Plan shall

continue to apply with respect to such transferred amounts held under this Plan.

17.8 Restoration of Forfeitures. The provisions of Section 7.3(e) relating to the restoration of forfeitures shall apply to any individual who (i) was a participant in the Bally's Park Place Plan, (ii) terminated employment with Bally's Park Place, Inc. prior to May 22, 2000, (iii) received a distribution of his vested account balance under the Bally's Park Place Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One-Year Breaks in Service (including, for this purpose, any one-year breaks in service that might have occurred under the Bally's Park Place Plan), and (v) repays the full amount previously distributed to him within five (5) years of the date is reemployed by the Employer.

ARTICLE XVIII

SPECIAL PROVISIONS PERTAINING TO THE MERGER OF THE AC HILTON PLAN INTO THE PLAN

18.1 General. Effective as of May 22, 2000, the AC Hilton Plan shall be merged into the Plan so that all assets of the AC Hilton Plan shall be transferred to the Plan for application under the terms of the Plan and the liabilities for benefits accrued under the AC Hilton Plan through May 21, 2000, shall be assumed by the Plan.

18.2 Transfer of Account Balances. In connection with the merger of the AC Hilton Plan into the Plan, amounts reflecting the account balance in each account under the AC Hilton Plan as of May 22, 2000 with respect to each participant under the AC Hilton Plan as of such date shall be accounted for under the Plan in accordance with the following rules:

(a) Amounts transferred from the AC Hilton Plan to this Plan consisting of a Participant's "Salary Deferral Contribution Account" (as such term was defined in the AC Hilton Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the AC Hilton Plan to this Plan consisting of a Participant's "Matching Contribution Account" (as such term was defined in the AC Hilton Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the AC Hilton Plan to this Plan consisting of a Participant's "Rollover Account" (as such term was defined in the AC Hilton Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(d) Amounts transferred from the AC Hilton Plan to this Plan consisting of a Participant's "After Tax Contribution Account" (as such term was defined in the AC Hilton Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

18.3 Special Provisions Pertaining to Vesting of Participants in the AC Hilton Plan.

(a) With respect to any Participant with an initial Employment Commencement Date under the AC Hilton Plan (as such term was defined in the AC Hilton Plan on or after January 1, 1997, the Vested Percentage of such Participant's Matching Contribution Account shall be determined in accordance with the provisions of Section 7.3

(b) Except as otherwise provided in subsections (c) and (d) of this Section 18.3, with respect to any Participant with an initial Employment Commencement Date under the AC Hilton Plan (as such term was defined in the AC Hilton Plan) before January 1, 1997, the Vested Percentage of such Participant's Matching Contribution Account shall be based upon such Participant's Years of Service as of the date of his Termination of Employment in accordance with the following schedule:

Years of Service	Vested Percentage

Less than 1 year	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

(c) With respect to any Participant who was a participant in the AC Hilton Plan and was not credited with one Hour of Service under the AC Hilton Plan after December 31, 1991, the special vesting provisions contained in Section 7.3 of the AC Hilton Plan prior to its merger into this Plan shall continue to apply.

(d) A Participant shall vest in any Matching Contributions made to the Plan on his behalf by GNOC, CORP. under the provisions of this Section 18.3. In the event any such Participant is transferred to the employment of another Employer, such Participant shall vest in any Matching Contributions made on his behalf by such Employer in accordance with the provisions of Section 7.3

18.4 Special Distribution Rules for Participants in the AC Hilton Plan.

(a) A Participant who (i) has an Account Balance that exceeds $5,000, (ii) had amounts transferred to the Plan from the AC Hilton Plan pursuant to this ARTICLE XVIII and (iii) terminates employment for any reason other than his death may elect, in lieu of the benefit forms available under Section 7.3, to receive a distribution of his Vested Account Balance in the form of either (i) periodic payments for a period not to exceed five

(5) years or (ii) a combination of a lump sum cash payment and periodic payments for a period not to exceed five (5) years.

(b) If a Participant who made an election to receive a distribution of his Account Balance in the form of periodic payments pursuant to Section 18.4(a) dies prior to commencing to receive or after commencing to receive such distribution but prior to the completion of the distribution of the entire Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's remaining Vested Account Balance in the form of a lump sum cash payment. Such payment shall be made as soon as practicable following the Participant's death.

(c) Distributions. Except as otherwise provided in Section 18.3 and this Section 18.4, the provisions of Section 7.1, 7.2, 7.3 and 7.4 shall apply to any individual who has an Account Balance transferred to the Plan from the AC Hilton Plan pursuant to this Article XVIII.

18.5 Special Rules for Certain Matching Contribution for Participants in the AC Hilton Plan. Notwithstanding any other provision contained herein, if a Participant (a) had amounts transferred to the Plan from the AC Hilton Plan pursuant to this ARTICLE XVIII and (b) made Salary Deferral Contributions to the Plan during the payroll period beginning May 22, 2000 and ending May 28, 2000, such Salary Deferral Contributions shall be treated as made under the AC Hilton Plan for purposes of determining the Matching Contribution (as defined in the AC Hilton Plan) to be

made pursuant to Section 3.2 of the AC Hilton Plan and such Salary Deferral Contributions shall not be treated as made under this Plan for purposes of determining the Matching Contribution to be made pursuant to Section 3.2 of this Plan.

18.6 Loans. Any outstanding loans transferred to the Plan from the AC Hilton Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the AC Hilton Plan, except that the Plan will be substituted as the obligee of the loan.

18.7 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and Treasury Regulations thereunder) that are attributable to any amounts transferred from the AC Hilton Plan shall continue to apply with respect to such transferred amounts held under this Plan.

18.8 Restoration of Forfeitures. The provisions of section 7.3(e) relating to the restoration of forfeitures shall apply to any individual who (i) was a participant in the AC Hilton Plan, (ii) terminated employment with AC Hilton prior to May 22, 2000, (iii) received a distribution of his vested account balance under the AC Hilton Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One-Year Breaks in Service (including, for this purpose, any one-year breaks in service that might have occurred under the AC Hilton Plan), and (v) repays the full amount previously distributed to him within five (5) years of the date is reemployed by the Employer.

ARTICLE XIX

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM THE ACCC PLAN

19.1 Transfer of Account Balances. Amounts transferred from accounts under the ACCC Plan shall be accounted for in accordance with the following rules:

(a) Amounts transferred from the ACCC Plan to this Plan consisting of a Participant's "Participant Elective Account" (as such term was defined in the ACCC Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the ACCC Plan to this Plan consisting of a Participant's "Participant's Account" (as such term is defined in the ACCC Plan) consisting of matching contributions and profit sharing contributions made under the ACCC Plan, and any earnings thereon, shall be credited to a separate subaccount under such Participant's Matching Contribution Account under this Plan called the "ACCC Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be 100% vested at all times in his ACCC Subaccount.

(c) Amounts transferred from the ACCC Plan to this term was defined in the ACCC Plan), shall be credited to such Participant's Rollover Contribution Account under this Plan.

19.2 Distributions. The provisions of Sections 7.1, 7.2, 7.3 and 7.4 shall apply to any individual who has an account

balance transferred from the ACCC Plan to this Plan pursuant to this Article XIX.

19.3 Loans. Any outstanding loans transferred to the Plan from the ACCC Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the ACCC Plan, except that the Plan will be substituted as the obligee of the loan.

19.4 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the ACCC Plan shall continue to apply with respect to such transferred amounts held under this Plan.

19.5 Restoration of Forfeitures. The provisions of section 7.3(e), relating to the restoration of forfeitures, shall apply to any individual who: (i) was a participant in the ACCC Plan, (ii) terminated employment with Atlantic City Country Club, Inc. prior to January 1, 2000, (iii) received a distribution of his vested interest under the ACCC Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the ACCC Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

ARTICLE XX

MISCELLANEOUS

20.1 Nothing contained in this Plan or in the Trust shall be held or construed to create any liability upon the Employer to retain any Employee in its employ. The Employer reserves the right to discontinue the services of any Employee without any liability except for salary or wages that may be due and unpaid whenever, in its judgment, its best interests so require.

20.2 This Plan and the Trust is for the exclusive benefit of the Participants and their Beneficiaries. This Plan should be interpreted in a manner consistent with this intent and with the intention that the Trust satisfy those provisions of the Code relating to qualified employee plans.

20.3 The Employer shall have no liability in respect to the payment of benefits or otherwise under the Plan; and the Employer shall have no liability in respect to the administration of the Trust or of the Fund held by the Trustees, and each Participant and/or Beneficiary shall look solely to the Fund for any payments or benefits under the Plan.

20.4 All administrative expenses of the Plan and Trust, including the compensation of consultants, auditors and counsel, may be paid from the Fund; provided, however, that the Employer, in its discretion, may elect to pay such expenses. Any expenses directly relating to the investments of the Fund, such as taxes,

commissions, and registration charges, shall be paid from the Fund.

20.5 Except as may otherwise be provided under Section 401(a)(13)(B) (relating to special rules for "qualified domestic relations orders") and (C) of the Code, no benefit under this Plan shall be subject in any manner to anticipation, pledge, encumbrance, alienation or assignment, and any attempt to anticipate, pledge, encumber, alienate or assign any such benefit shall be void, nor shall any such benefits be in any way subject to seizure, attachment or other legal or equitable process for the debts, contracts or liabilities of any Participant or Beneficiary. For purposes of this Section 20.5, payments may be made under this Plan to an "alternative payee" (as defined in Code Section 414(p)(8)) prior to the Participant's "earliest retirement age" (within the meaning of Code Section 414(p)(4)(B)) to the extent that such payments are consistent with the qualified domestic relations order. Any payment made under this Plan to an alternate payee pursuant to a qualified domestic relations order shall only be made in the form of a lump sum payment.

20.6 In the case of any merger or consolidation of the Plan with, or transfer of Plan assets or liabilities to, any other plan, provisions shall be made so that each Participant in the Plan on the date thereof (if the Plan then terminated) would receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would

have been entitled to receive immediately prior to the merger, consolidation or transfer if the Plan had then terminated.

20.7 Notwithstanding any provisions of the Plan to the contrary, contributions and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

20.8 This Plan shall be construed and administered in complete accordance with ERISA and, to the extent not preempted by such Act, the laws of the State of Nevada.

20.9 Pronouns shall be interpreted so that the masculine pronoun shall include the feminine, and the singular shall include the plural.

20.10 Headings of sections and subsections of this Plan are inserted for convenience of reference. They constitute no part of this Plan and are not to be considered in the construction thereof.

20.11 If any provision of this Plan is held to be illegal, invalid or unenforceable for any reason, this shall not affect any other provision of the Plan, and this Plan shall be construed as if said illegal, invalid or unenforceable provision had never been inserted herein.

20.12 The Plan set forth herein shall amend and restate, effective as of January 1, 1999, unless otherwise provided herein, all provisions of the Plan.

IN WITNESS WHEREOF, Park Place Entertainment Corporation has executed this Plan on this 22 day of March, 2001.

ATTEST: PARK PLACE ENTERTAINMENT CORPORATION

/s/ Marge Strysik By: /s/ Mark Dodson

Title: Co-COO/ President Western Casino Group

APPENDIX A

Names of Employers

Plan Sponsor:

Park Place Entertainment Corporation

Affiliates:

FHR Corporation (Nevada)
Flamingo Hilton-Laughlin, Inc. (Nevada)
LVH Corporation (Nevada)
Parball Corporation (Nevada) (prior to November 1, 1999, only as to its employees at the Flamingo Hilton)
Effective May 22, 2000, GNOC, Corp.
Effective May 22, 2000, Bally's Park Place, Inc.
Effective May 22, 2000, Atlantic City Country Club, Inc.

FIRST AMENDMENT
TO THE
RESTATED PARK PLACE
ENTERTAINMENT CORPORATION
401(K) SAVINGS PLAN

WHEREAS, the Restated Park Place Entertainment Corporation 401(k) Savings Plan (the "Plan") was adopted on March 22, 2001;

WHEREAS, under Section XIII of the Plan, Park Place Entertainment Corporation reserved the right to amend the provisions of the Plan through action of its Board of Directors; and

WHEREAS, it has become necessary to amend the Plan in order to provide for (i) the merger of the Caesars 401(k) Plan into the Plan, (ii) the addition of Bally's Skyscraper, Inc. as an Employer under the Plan and (iii) certain other changes under the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.16 is amended to read as follows:

"'Compensation' shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses, any severance or salary continuation payments received by the Participant and all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, or contributions made under any insurance or welfare plan."

2. Section 1.49 is amended by adding the following new paragraphs (f) and (g) at the end thereof to read:

"(f) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating a 'Year of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(g) If on June 1, 2001 an individual is an employee of Bally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Year of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan."

3. Section 1.50 is amended by adding the following new paragraphs (g) and (h) at the end thereof to read:

"(g) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'.

(h) If on June 1, 2001 an individual is an employee of Bally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'."

4. Section 3.2(b) is amended by adding the following new sentence at the end thereof to read:

"For the Plan Year beginning January 1, 2001, for purposes of this Section 3.2(b), an Employee employed at the Flamingo Reno Hotel on September 30, 2001 shall be considered to be employed on the last day of the Plan Year."

5. Section 4.3(c) is amended by adding the following new subparagraphs (v) and (vi) at the end thereof to read:

"(v) The Actual Deferral Percentage limitations of this Section shall, pursuant to Treas. Reg. § 1.401(k)-1(g)(11) be applied separately (A) to Eligible Employees of the Employer covered by a collective bargaining agreement and (B) to Eligible Employees of the Employer not covered by a collective bargaining agreement.

(vi) The Employer may treat collective bargaining units separately or two or more separate collective bargaining units as a single collective bargaining unit in accordance with Treas. Reg. § 1.401(k)-1(g)(11)(ii)(B)."

6. Section 4.5(c) is amended by adding the following new subparagraph (vi) at the end thereof to read:

"(vi) The Actual Contribution Percentage Test of Section 4.5(a) shall be automatically satisfied with respect to those Eligible Employees who are covered by a collective bargaining agreement pursuant to Treas. Reg. § 1.401(m)-1(a)(3)."

7. Section 9.1(c) is amended to read as follows:

"The minimum loan shall be $500 and, except as otherwise provided in this paragraph (c), only one loan (or, at the sole discretion of the Committee, two loans) may be outstanding at any time. This requirement that only one loan (or two loans) may be outstanding at any time shall not apply to the extent that a loan (or loans) is (are) used to pay unreimbursed educational expenses incurred by the Participant, his spouse, children or dependents ("education loan"). For purposes of this paragraph, any amounts in an account attributable to an outstanding loan (or loans) made to a Participant that is (are) not an education loan (or education loans) that are transferred to the Plan from any Affiliate Plan pursuant to Section 14.2, from the Hilton Plan pursuant to Article XV, from the Bally's Las Vegas Plan pursuant to Article XVI, from the Bally's Park Place Plan pursuant to Article XVII, from the AC Hilton Plan pursuant to Article XXIII, from the ACCC Plan pursuant to Article XIX or from the Caesars Plan pursuant to Article XXI shall be considered as one outstanding loan."

8. The Plan is amended by adding a new Article XXI at the end thereof to read:

"ARTICLE XXI

SPECIAL PROVISIONS PERTAINING TO THE
MERGER OF THE CAESARS 401(k) PLAN INTO THE PLAN

21.1 General. Effective as of August 1, 2001, the Caesars 401(k) Plan (the "Caesars Plan") shall be merged into the Plan so that all assets of the Caesars Plan shall be transferred to the Plan for application under the terms of the Plan and the liabilities for benefits under the Caesars Plan through July 31, 2001, shall be assumed by the Plan.

21.2 Transfer of Account Balances. In connection with the merger of the Caesars Plan into the Plan, amounts reflecting the account balance in each account under the Caesars Plan as of August 1, 2001 with respect to each participant under the Caesars Plan as of such date shall be accounted for under the Plan in accordance with the following rules:

(a) Amounts transferred from the Caesars Plan to this Plan consisting of (i) a Participant's "pre-tax account" (as such term is defined in the Caesars Plan) and (ii) a Participant's "ITT pre-tax account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "employer match account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "rollover account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(d) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "ITT post-86 after-tax account" and a Participant's "ITT pre-87 after-tax account" (as such terms are defined in the Caesars Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

(e) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "Starwood match account", "ITT match account," "Westin RAP account" and "prior plan basic account" (as such terms are defined in the Caesars Plan) shall be credited to a separate subaccount established under such Participant's Matching Contribution Account under this Plan called the "Caesars Old Match Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be fully vested at all times in his Caesars Old Match Subaccount.

(f) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "ITT rollover account" and "ITT prior plan monies account" (as such terms are defined in the Caesars Plan) shall be credited to a separate subaccount established under such Participant's Matching Contribution Account under this Plan called the "Caesars Prior Plan Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be fully vested at all times in his Caesars Prior Plan Subaccount.

21.2 Distributions. The provisions of Article VII shall apply to any individual who has an account balance transferred from the Caesars Plan to this Plan pursuant to this Article XXI.

21.3 Caesars Prior Plan Subaccounts. A Participant who has a Caesars Prior Plan Subaccount under the Plan may elect to withdraw all or a portion of his Caesars Prior Plan Subaccount at any time.

21.4 Loans. Any outstanding loans transferred to the Plan from the Caesars Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Caesars Plan, except that the Plan will be substituted as the obligee of the loan.

21.5 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Caesars Plan shall continue to apply with respect to such transferred amounts held under this Plan.

21.6 Restoration of Forfeitures. The provisions of Section 7.3(e) (relating to the restoration of forfeitures) shall apply to any individual who: (i) was a participant in the Caesars Plan, (ii) terminated employment with Caesars World, Inc. or its affiliate prior to the time such individual's accounts under the Caesars Plan are transferred to this Plan, (iii) received a distribution of his vested interest under the Caesars Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive one Year Breaks in Service (including, for

this purpose, any one year breaks in service that might have occurred under the Caesars Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

21.7 Special Rules Pertaining to the Starwood Stock Fund. If a Participant who had amounts transferred to this Plan pursuant to this Article XXI had a portion of his account balance under the Caesars Plan invested in the Starwood Stock Fund (as such term is defined in the Caesars Plan), such amounts shall continue to be held in a Starwood Stock Fund under this Plan. The Starwood Stock Fund under this Plan shall consist of amounts invested by Participants in the Starwood Stock Fund under the Caesars Plan that were transferred to this Plan pursuant to this Article XXI. The Starwood Stock Fund is a frozen fund and Participants are prohibited from investing contributions or reallocating amounts held under the Plan to the Starwood Stock Fund. In connection with a distribution from the Plan pursuant to Sections 7.1, 7.2 or 7.3, a Participant may elect to receive the value of his Vested Account Balance invested in the Starwood Stock Fund in full paired shares of common stock of Starwood Hotels & Resorts Worldwide, Inc. and Class B shares of beneficial interest of Starwood Hotels & Resorts and in cash for any fractional shares."

9. Appendix A is amended to read as follows:

"APPENDIX A

Names of Employers

Plan Sponsor:

Park Place Entertainment Corporation

Affiliates:

FHR Corporation (Nevada)
Flamingo Hilton-Laughlin, Inc. (Nevada)
LVH Corporation (Nevada)
Parball Corporation (Nevada) (prior to November 1, 1999, only as to its employees at the Flamingo Hilton)
Effective May 22, 2000, GNOC, Corp.
Effective May 22, 2000, Atlantic City Country Club, Inc.
Effective June 1, 2001, Bally's Skyscraper, Inc.
Effective August 1, 2001, Desert Palace, Inc.
Effective August 1, 2001, Boardwalk Regency Corporation
Effective August 1, 2001, Caesars World, Inc."

10. Effective Dates.

(a) The amendments made by paragraphs 1, 5 and 6 shall be effective as of January 1, 2001.

(b) The amendments made by paragraphs 2, 3 and 9 shall be effective as of June 1, 2001.

(c) The amendments made by paragraph 7 shall be effective as follows: (i) the amendments made by the first two sentences shall be effective on December 3, 2001 and (ii) the amendments made by the last sentence shall be effective as of August 1, 2001.

(d) The amendments made by paragraph 8 shall be effective as of August 1, 2001.

(e) The amendments made by paragraph 4 shall be effective as of October 23, 2001.

IN WITNESS WHEREOF, Park Place Entertainment Corporation has executed this First Amendment to the Plan on this 21st day of November, 2001.

ATTEST:

/s/ Bernard E. DeLury
Assistant Secretary

PARK PLACE ENTERTAINMENT CORPORATION

By: /s/ Wallace R. Barr
Title: Executive Vice President/Chief Operating Officer

SECOND AMENDMENT
TO THE
RESTATED PARK PLACE
ENTERTAINMENT CORPORATION
401(k) SAVINGS PLAN

WHEREAS, the Restated Park Place Entertainment Corporation 401(k) Savings Plan (the "Plan") was adopted on March 22, 2001;

WHEREAS, under Section XIII of the Plan, Park Place Entertainment Corporation reserved the right to amend the provisions of the Plan through action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001; and

WHEREAS, it has become necessary to amend the Plan in order (i) to provide for the transfer of the assets from the Claridge Retirement Savings Plan to the Plan, (ii) to incorporate certain provisions intended to be good faith compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), (iii) for the Internal Revenue Service to issue a favorable determination letter for the Plan and (iv) to make certain other design changes to the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.1 is amended to read as follows:

"1.1 'Account Balance' shall mean the sum of the account balances in the Participant's Salary Deferral Contribution Account, Matching Contribution Account, Rollover Contribution Account, Catch-Up Contribution Account and After Tax Contribution Account."

2. Section 1.16 is amended to read as follows:

"1.16 'Compensation' shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses, any relocation bonuses, any severance or salary continuation payments received by a Participant and all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, or contributions made under any insurance or welfare plan. Compensation shall include Salary Deferral Contributions hereunder, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program."

3. The first sentence of Section 1.19 is amended to read as follows:

"'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of the Employer and has completed a Year of Eligibility Service; provided, however, that effective January 1, 2002, 'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of the Employer and has completed Six Months of Eligibility Service."

4. The second sentence of Section 1.19 is amended to read as follows:

"For purposes of the Plan, an Eligible Employee shall not include: (a) any Employee who is included in a unit covered by a collective bargaining agreement between Employee representatives and the Employer unless the bargaining agreement specifically requires participation in this Plan; (b) any Leased Employee; or (c) any individual retained directly or through a third party agency, including a leasing organization within the meaning of Code Section 414(n)(2), to perform services for the Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity, to the extent that such individual is or has been determined by a governmental entity, court, arbitrator, or other third party, to be an employee of the Employer for any purpose, including tax withholding, employment tax, employment law or for purposes of any other employee benefit plan of the Employer."

5. Section 1.26 is amended by deleting the third paragraph thereof.

6. Section 1.45 is amended to read as follows:

"1.45 'Termination of Employment' shall mean the voluntary severance from employment of an Employee, or the involuntary severance from employment of an Employee by the Employer, other than severance from employment by reason of death, Disability or Retirement under this Plan. For purposes of this Plan, an Employee shall not be considered to have a Termination of Employment until such Employee is no longer employed by the Employer or any Affiliate."

7. Article I is amended by adding a new Section 1.49A, immediately following Section 1.49 thereof to read:

"1.49A 'Six Months of Eligibility service' shall mean:

(a) (i) The six-month period beginning on the Employee's Employment Commencement Date and ending on the six month

anniversary of the Employee's Employment Commencement Date (the "Initial Six Month Employment Period") in which an Employee is credited with at least 500 Hours of Service; (ii) if an Employee is not credited with 500 Hours of Service at the end of the Initial Six Month Employment Period, an Employee shall be credited with Six Months of Eligibility Service at the time such Employee is credited with 500 Hours of Service during the twelve-month period beginning on the Employee's Employment Commencement Date and ending on the twelve month anniversary of the Employee's Employment Commencement Date (the "Initial Twelve Month Employment Period"); or (iii) if an Employee is not credited with 500 Hours of Service during his Initial Twelve Month Employment Period, an Employee will be credited with Six Months of Eligibility Service at the time he is credited with 500 Hours of Service during a Plan Year, beginning with the Plan Year that includes the last day of the Employee's Initial Twelve Month Employment Period.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service';

(ii) if on December 18, 1996 such individual was employed by Bally's Entertainment Corp. or any of its affiliates, any period during which such individual was employed by Bally's Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service'; and

(iii) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service';

provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., any years of service credited to such individual under the Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998 shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service'; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan. For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate.

(f) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(g) If on June 1, 2001 an individual is an employee of Sally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan."

8. Article I is amended by adding new Sections 1.51 and 1.52 at the end to read:

"1.51 'Catch-Up Contribution' shall mean the amount contributed to the Plan in accordance with Section 3.9.

1.52 'Catch-Up Contribution Account' shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

9. Article I is amended by adding a new Section 1.53 at the end thereof to read:

"1.53 'Leased Employee' shall mean any individual who is not an Employee and who provides services to the Employer if (i) such services are provided pursuant to an agreement between the Employer and a leasing organization; (ii) such individual has performed services for the Employer on a substantially full time basis for a period of at least one year; and (iii) such services are performed under the primary direction and control by the Employer."

10. Section 3.1(a)(i) is amended to read as follows:

"(a)(i) Each Eligible Employee may elect to become a Participant as of any Entry Date after becoming an Eligible Employee by authorizing the Employer (in the manner prescribed by the Committee) to reduce his Compensation for a payroll period by an amount equal to from one percent (1%) to fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) (in whole percentages) of such Compensation for such payroll period and to have such amount deposited to the Plan as a Salary Deferral Contribution hereunder. In no event shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under Section 3.3 for a Plan Year exceed fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such Plan Year. The twenty percent (20%) limitation described above shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

11. Section 3.3(a) is amended to read as follows:

"(a) Each Participant may elect to contribute After Tax Contributions to the Plan. Such After Tax Contributions shall be contributed to the Plan through after tax payroll deductions and shall be made in increments of one percent (1%) to fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such payroll period. In no event shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under this Section 3.3 for a Plan Year exceed fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such Plan Year. Any amounts so contributed by a Participant shall be credited to the Participant's After Tax Contribution Account. The twenty percent (20%) limitation described above shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

12. Section 3.4(a) is amended to read as follows:

"(a) The term "Rollover Contribution" shall mean:

(i) a distribution from a plan or annuity contract described in Sections 401(a), 403(a), 403(b) or 457(b) of the Code; provided, however, that except as provided in (ii) below, a Rollover Contribution shall not include any distribution from such an arrangement which is not includible in gross income;

(ii) a Direct Rollover (as defined in Section 7.7(b)) from a plan described in Section 401(a) of the Code of which all or a portion consists of after-tax employee contributions which are not includible in gross income; or

(iii) a distribution from an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code; provided, however, that a Rollover Contribution shall not include any distribution from such an arrangement which is not includible in gross income."

13. Section 3.4(c)(i) is amended to read as follows:

"(i) A Rollover Contribution shall be credited to the Rollover Contribution Account for the Participant on whose behalf such contribution is made. However, any portion of a Rollover Contribution described in 3.4(a)(ii) which is not includible in gross income shall be separately accounted for."

14. The first sentence of Section 3.5 is amended to read as follows:

"The Committee shall maintain a separate Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account, Rollover Contribution Account and Catch-Up Contribution Account in the name of each Participant."

15. Article III is amended by adding the following new Section 3.9 at the end thereof to read.

"3.9 Catch-Up Contributions. Each Eligible Employee who is eligible to make Salary Deferral Contributions to the Plan pursuant to Section 3.1 who has attained age 50 before the end of a Plan Year shall be eligible to make a Catch-Up Contribution in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such Catch-Up Contributions shall not be taken into account for purposes of the limitations provided in Sections 4.1 and 4.7 of the Plan. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such Catch-Up Contributions. Any Catch-Up Contributions made under the Plan on behalf of a Participant shall be credited to such Participant's Catch-Up Contribution Account. A Participant shall be fully vested at all times in his Catch-Up Contribution Account."

16. Section 4.1 is amended by adding the following new sentence at the end thereof to read:

"The maximum dollar amount limitation described in this Section 4.1 shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

17. Section 4.3(c)(iii) is amended to read as follows:

"(iii) The Committee may in its sole discretion reduce or restrict Highly Compensated Employees' deferral elections made pursuant to Section 3.1 by the amount necessary to satisfy one of the tests set forth in section 4.3(a)."

18. The first sentence of Section 4.4(a) is amended to read as follows:

"Notwithstanding any other provision of the Plan, Excess Salary Deferral Contributions and income or loss allocable thereto shall be distributed to those Participants on whose behalf such Salary Deferral Contributions were made for a Plan Year, using the 'dollar leveling method' starting with the Highly Compensated Employee with the greatest dollar amount of Salary Deferral Contributions, and other contributions treated as Salary Deferral Contributions for the Plan Year, until the amount of Excess Salary Deferral Contributions has been accounted for, in accordance with the provisions of Section 401(k)(8)(C) of the Code."

19. Section 4.5(d) shall be amended by adding a new subparagraph (iv) at the end thereof to read:

"(iv) For Plan Years beginning on or after January 1, 2002, the foregoing provisions of this Section 4.5(d) shall no longer apply."

20. The first sentence of Section 4.6(a) is amended to read as follows:

"Notwithstanding any other provision of the Plan, Excess Qualified Contributions and income or loss allocable thereto shall either be forfeited, if forfeitable under the provisions of Section 7.3, or distributed to those Participants on whose behalf such Qualified Contributions were made for a Plan Year, using the 'dollar leveling method' starting with the Highly Compensated Employee with the greatest dollar amount of Qualified Contributions, and other contributions treated as Qualified Contributions, for the Plan Year, until the amount of Excess Qualified Contributions has been accounted for, in accordance with the provisions of Section 401(m) (6) (C) of the Code."

21. Section 4.7(a) is amended to read as follows:

"(a) The Annual Additions credited to a Participant under the Plan for any Limitation Year shall not exceed the lesser of (1) 25 percent of the Participant's Adjusted Compensation or (ii) $30,000 (as adjusted by the Adjustment Factor). Effective January 1, 2002, except to the extent permitted under Section 3.9 and Section 414(v) of the Code, the Annual Additions credited to a Participant under this Plan for any Limitation Year shall not exceed the lesser of (i) 100 percent of the Participant's Adjusted Compensation or (ii) $40,000 (as adjusted by the Adjustment Factor)."

22. Section 4.8 is amended to read as follows:

"4.8 Limit on Compensation. For purposes of this Plan, Compensation, ADP Compensation and ACP Compensation of a Participant for a Plan Year in excess of $160,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account. Effective January 1, 2002, for purposes of this Plan, Compensation, ADP Compensation and ACP Compensation of a Participant for a Plan Year in excess of $200,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account."

23. Section 6.2 shall be amended to read as follows:

"6.2 Allocation of Net Increase and Net Decrease to Accounts of Participants. The Trustee shall then allocate as of such Valuation Date a part of each such net increase or net decrease to the Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account, Catch-up Contribution Account and Rollover Contribution Account of each Participant in the ratio that the balance in each such Account bears to all such Account balances."

24. Section 7.3(a)(i) is amended to read as follows:

"(a)(i) A Participant who ceases to be an Employee on account of his Termination of Employment shall be entitled to receive 100% of the balance in his Salary Deferral Contribution Account, Rollover Contribution Account, After Tax Contribution Account and Catch-Up Contribution Account, plus the Vested Percentage of the balance in his Matching Contribution Account. (For purposes of this Article VII, the balance in a Participant's Salary Deferral Contribution Account, Rollover Contribution Account, After Tax Contribution Account, and Catch-Up Contribution Account and the Vested Percentage of the balance in such Participant's Matching Contribution Account shall be referred to as the 'Vested Account Balance'.)"

25. Section 7.4 is amended by deleting paragraph (e) in its entirety.

26. The first sentence of Section 7.6 is amended to read as follows:

"A Participant shall be entitled to receive a hardship distribution of the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan, any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan and any income attributable to Salary Deferral Contributions and Catch-Up Contributions), if the distribution is necessary to defray an immediate and severe financial hardship incurred by the Participant."

27. Section 7.6(b) is amended to read as follows:

"(b) Distribution Necessary to Satisfy the Financial Need. A hardship withdrawal shall be considered to be necessary to meet such an immediate and heavy financial need only under the following circumstances:

(i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (that cannot be satisfied by distributions and/or non-taxable loans of the types described in subparagraph (ii) below). This distribution may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

(ii) The Participant has obtained (or requested) all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by the Employer or any Affiliate.

In the event of any hardship distribution to a Participant hereunder, such Participant may not make Salary Deferral Contributions, Catch-Up Contributions and/or After Tax Contributions to the Plan or to any other deferred compensation plans maintained by the Employer or any Affiliate during the 12 calendar months immediately following the date of such hardship withdrawal. Effective for hardship distributions made on or after January 1, 2002, the 12 calendar month suspension provided for in the preceding sentence shall be 6 calendar months. The Participant also may not make Salary Deferral Contributions (or comparable contributions) to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate, for the calendar year immediately following the calendar year of the hardship withdrawal, in excess of the applicable limit under Section 402(g) of the Code for such next calendar year less the amount of such Participant's Salary Deferral Contributions (or comparable contributions) made on his behalf to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate for the calendar year of the hardship distribution. Effective January 1, 2002, the post-hardship contribution limit provided for in the preceding sentence shall no longer apply.

The foregoing provisions shall be applied on a uniform and nondiscriminatory basis and shall be subject to such changes as the Committee may deem to be necessary at any time to comply with Treasury Regulations or other rules issued under Section 401(k) of the Code."

28. Sections 7.6(c)(ii) is amended to read as follows:

"(ii) The amount of any hardship distribution shall in no event exceed the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan and any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code.)"

29. Sections 7.7(b)(i) and (ii) are amended to read as follows:

"(i) 'Eligible Rollover Distribution' shall mean any distribution of all or any portion of the Participant's Vested Account Balance, except that an Eligible Rollover Distribution does not include:

(A) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more.

(B) Any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

(C) The portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). Effective January 1, 2002, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan as described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(D) Effective January 1, 2000, any distribution of a Participant's Salary Deferral Contributions made pursuant to Section 7.6 on account of hardship and, effective January 1, 2002, any distribution of a Participant's Vested Account Balance made pursuant to Section 7.6 on account of hardship.

(ii) 'Eligible Retirement Plan' shall mean an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Participant's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a surviving spouse, an Eligible Retirement Plan shall mean only an individual retirement account or individual retirement annuity. Effective for distributions made on or after January 1, 2002 'Eligible Retirement Plan' shall also mean an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. This definition of 'Eligible Retirement Plan' shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p)."

30. Section 10.2(g) is amended to read as follows:

"(g) 'Top-Heavy Plan' shall mean with respect to any Plan Year, the Plan if, as of the Determination Date, the Plan is not part of an Aggregation Group and the aggregate of the accounts under the Plan of all Key Employees exceeds sixty percent (60%) of the aggregate of the accounts under the Plan of all employees, or if, as of the Determination Date, the Plan is part of a Top-Heavy Group. In

determining the amount of the account or the cumulative accrued benefit of any employee for purposes of determining if the Plan is a Top-Heavy Plan, including the determination of whether the Aggregation Group is a Top-Heavy Group the following rules shall apply:

(i) The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting '5-year period' for '1-year period.'

(ii) The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the Determination Date shall not be taken into account."

31. Section 10.3 is amended by adding the following new sentence at the end thereof to read:

"In determining whether the Employer has made any contribution required under this Section 10.3, any Matching Contributions made by the Employer under Section 3.2 (or any similar contributions made under any other plan maintained by the Employer or an Affiliate) shall be taken into account."

32. Article XIV is amended by adding the following new Section 14.3 at the end thereof to read:

"14.3 For purposes of this Article XIV, Belle of Orleans, L.L.C. shall be considered an Affiliate of Park Place Entertainment Corporation and its Affiliates."

33. The Plan is amended by adding a new ARTICLE XXII at the end thereof to read:

"ARTICLE XXII

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM
THE CLARIDGE RETIREMENT SAVINGS PLAN INTO THE PLAN

22.1 Transfer of Account Balances. Amounts transferred from accounts under the Claridge Retirement Savings Plan (the 'Claridge Plan') shall be accounted for under the Plan in accordance with the following rules:

(a) Amounts transferred from the Claridge Plan to this Plan consisting of (i) a Participant's "Basic Contribution Account" (as such term is defined in the Claridge Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Claridge Plan to this Plan consisting of (i) a Participant's 'Matching Contributions Account' (as such term is defined in the Claridge Plan) and (ii) a Participant's 'Profit Sharing Contribution Account' (as such term is defined in the Claridge Plan), shall be credited to a separate subaccount under such Participant's Matching Contribution Account under this Plan called the 'Claridge Subaccount.' Notwithstanding the provisions of Section 7.3, a Participant shall be 100% vested at all times in his Claridge Subaccount.

(c) Amounts transferred from the Claridge Plan to this Plan consisting of a Participant's "Rollover Account" (as such term is defined in the Claridge Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

22.2 Distributions. Except as otherwise provided in Section 22.3, the provisions of ARTICLE VII shall apply to any individual who has an account balance transferred from the Claridge Plan to this Plan pursuant to this ARTICLE XXII.

22.3 Special Distribution Rules for Participant in the Claridge Plan.

(a) A Participant who (i) has an Account Balance that exceeds $5,000, (ii) had amounts transferred to the Plan from the Claridge Plan pursuant to this ARTICLE XXII and (iii) terminates employment for any reason other than his death, may elect to defer receipt of his Account Balance under paragraph 7.3(c) until he reaches age 70-1/2.

(b) A Participant who (i) has an Account Balance that exceeds $5,000, (ii) had amounts transferred to the Plan from the Claridge Plan pursuant to this ARTICLE XXII and (iii) terminates employment for any reason other than his death, may elect, in lieu of the benefit forms available under Section 7.1 and Section 7.3, to receive a distribution of his Vested Account Balance in the form of substantially equal monthly, quarterly or annual installments over a period not to exceed 120 months; provided, however, that the Participant (or Beneficiary) may elect to receive an earlier payment of such Account Balance.

22.4 Loans. Any outstanding loans transferred to the Plan from the Claridge Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Claridge Plan, except that the Plan will be substituted as the obligee of the loan.

22.5 Benefit Options. All applicable 'benefit options' (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Claridge Plan shall continue to apply with respect

to such transferred amounts held under this Plan.

22.6 Restoration of Forfeitures. The provisions of Section 7.3(e) (relating to the restoration of forfeitures) shall apply to any individual who: (i) was a participant in the Claridge Plan, (ii) terminated employment with The Claridge at Park Place or its affiliates or Bally's Skyscraper, Inc. or its affiliate prior to the time such individual's accounts under the Claridge Plan are transferred to this Plan, (iii) received a distribution of his vested interest under the Claridge Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the Claridge Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer."

34. Appendix A is amended to read as follows:

"APPENDIX A
Names of Employers

Plan Sponsor:

Park Place Entertainment Corporation

Affiliates:

FHR Corporation (Nevada)
Flamingo Hilton-Laughlin, Inc. (Nevada)
LVH Corporation (Nevada)
Parball Corporation (Nevada) (prior to November 1, 1999, only as to its employees at the Flamingo Hilton)
Effective May 22, 2000, GNOC, Corp.
Effective May 22, 2000, Bally's Park Place, Inc.
Effective May 22, 2000, Atlantic City Country Club, Inc.
Effective June 1, 2001, Bally's Skyscraper, Inc.
Effective August 1, 2001, Desert Palace, Inc.
Effective August 1, 2001, Boardwalk Regency Corporation
Effective August 1, 2001, Caesars World, Inc.
Effective January 1, 2002, Caesars World Merchandising, Inc.
Effective January 1, 2002, Caesars World Entertainment, Inc.
Effective January 1, 2002, Caesars World Business Services Corporation"

35. Effective Dates.

(a) The amendments made by paragraphs 4, 5, 9, 18, 20, 26 and 28 shall be effective as of January 1, 1999.

(b) The amendment made by the last sentence of paragraph 2 shall be effective as of January 1, 1999.

(c) The amendment made by paragraph 32 shall be effective as of March 5, 2001.

(d) The amendment made by paragraph 33 shall be effective as of April 1, 2002.

(e) Except as otherwise provided, the amendments made by paragraphs 2, 3, 7, 17 and 34 shall be effective as of January 1, 2002.

(f) Except otherwise provided, the amendments made by paragraphs 1, 6, 8, 10 through 16, 19, 21 through 25, 27, 29, 30 and 31 shall be effective as of January 1, 2002. The amendments made by such paragraphs shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of the amendment. The amendments made by such paragraphs are adopted to reflect certain provisions of EGTRRA and are intended as good faith compliance with the requirements of EGTRRA and guidance issued thereunder.

IN WITNESS WHEREOF, Park Place Entertainment Corporation has executed this Second Amendment to the Plan on this 31st day of December, 2002.

ATTEST: PARK PLACE ENTERTAINMENT CORPORATION

/s/ Pamela Bouchard

By: /s/ Wallace R. Barr
Title: President

THIRD AMENDMENT
TO THE
RESTATED PARK PLACE
ENTERTAINMENT CORPORATION
401(k) SAVINGS PLAN

WHEREAS, the Restated Park Place Entertainment Corporation 401(k) Savings Plan (the "Plan") was adopted on March 22, 2001;

WHEREAS, under Section XIII of the Plan, Park Place Entertainment Corporation reserved the right to amend the provisions of the Plan through action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, 2002; and

WHEREAS, it has become necessary to amend the Plan in order to incorporate the final Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code that are applicable to the Plan as of January 1, 2003.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Paragraph (e) of Section 7.1 is amended to read as follows:

"(e) Notwithstanding paragraphs (a) and (b) of this Section 7.1, any Participant who ceases to be an Employee on account of his Retirement or Disability may elect, in lieu of a lump sum cash payment, to receive his distribution in the form of substantially equal monthly installments not to exceed the lesser of (i) 120 or (ii) the maximum monthly installments based upon the Participant's life expectancy computed in accordance with the provisions of Section 7.4(a)(ii)(A), or if the Participant's spouse is the sole Beneficiary, then in accordance with the provisions of Section 7.4(a)(ii)(B). A Participant who elects to receive his distribution in the form of installments may at any time elect to receive a single lump sum cash payment of the remaining unpaid installments."

2. Section 7.2 is amended to read as follows:

"(a) If a Participant ceases to be an Employee on account of his death, or if a Participant dies before his Retirement or Disability, but before receiving any distribution from his Account Balance hereunder:

(i) the Participant's Beneficiary shall receive a distribution of the Participant's entire Account Balance in the form of a lump sum cash payment; or

(ii) if the Participant's Beneficiary is an individual designated as a Beneficiary in accordance with Section 1.401(a)(9)-4, Q&A-1 of the Treasury Regulations (the "Designated Beneficiary"), the Designated Beneficiary may elect to have the Participant's Account Balance paid in installments not to exceed the lesser of (a) 120 or (b) the maximum monthly installments based on the Designated Beneficiary's life expectancy computed in accordance with the provisions of Section 7.4(a)(ii)(A).

The distribution of the Account Balance under this paragraph (a) shall be made (or commence to be made) no later than the December 31 of the calendar year immediately following the calendar year in which the Participant died. A Beneficiary who elects to have the Participant's Account Balance paid in installments may at any time elect to receive a single lump sum cash payment of the remaining unpaid installments.

(b) Notwithstanding paragraph (a) of this Section, if there is no Designated Beneficiary as of September 30 of the calendar year following the calendar year of the Participant's death, distribution of the Participant's entire Account Balance shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) If the Participant described in paragraph (a) of this Section dies before receiving any distribution of his Account Balance, the Participant's surviving spouse is the sole Designated Beneficiary, and the surviving spouse dies before distributions commence, Section 7.2(a) shall apply as if the surviving spouse were the Participant.

(d) If a Participant who ceased to be an Employee on account of Retirement or Disability dies after commencing to receive a distribution of his Account Balance in the form of installment payments as provided in Section 7.1(e), but prior to the completion of the distribution of the entire Account Balance, the Participant's Beneficiary shall be paid the remaining installments at the same time, in the same manner and for the remaining scheduled period of such installments; provided, however, that the Participant's Beneficiary may elect to receive a single lump sum cash payment of the remaining unpaid installments."

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3. Paragraph (c) of Section 7.3 is amended by adding the following sentence at the end thereof to read:

"If a Participant described in paragraph (a) of this Section should die prior to receiving a distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of the Participant's Vested Account Balance in a lump sum cash payment as soon as practicable after the Participant's death, but in no event later than the December 31 of the calendar year immediately following the calendar year in which the Participant died."

4. Paragraph (a) of Section 7.4 is amended to read as follows:

"(a) (i) Notwithstanding anything to the contrary in this Article, as required by Code Section 401(a)(9) and the Treasury Regulations thereunder, with respect to any Participant who is a "five percent owner" (as defined in Code Section 416), the distribution of such Participant's Account Balance shall be made (or commence) in accordance with subparagraph (ii) of this paragraph no later than April 1 of the calendar year following the calendar year in which the Participant reaches age 70-1/2 (the "Required Beginning Date"), regardless of whether such Participant is still actively employed as of such date. If the Participant continues to participate in the Plan, the minimum amount that must be distributed to the Participant in accordance with subparagraph (ii) of this paragraph for other calendar years, including the required minimum distribution for the calendar year in which the Participant's Required Beginning Date occurs, shall be distributed on or before December 31 of that calendar year.

(ii) At the election of the Participant, the Participant's Account Balance shall either be distributed in its entirety to the Participant in accordance with Code Section 401(a)(9)(A)(i) and the Treasury Regulations thereunder, or distributed to the Participant during the Participant's lifetime in an amount for each distribution calendar year that is the lesser of:

(A) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) if the Participant's sole Designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

For purposes of calculating the required minimum distribution pursuant to this subparagraph (ii), the first "distribution calendar year" shall be the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. All other "distribution calendar years" shall be the calendar year in which the minimum distribution is required. In addition, the Participant's Account Balance shall mean the Account Balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (the "Valuation Calendar Year"), increased by the amount of any contributions made and allocated to the Account Balances as of dates in the Valuation Calendar Year after the Valuation Date and decreased by distributions made in the Valuation Calendar Year after the Valuation Date."

5. Section 7.4 is amended by adding new paragraph (e) at the end thereof to read:

"(e) All distributions made under this Article VII, Article XVIII or Article XXII shall be made in accordance with Code Section 401(a)(9) and Sections 1.401(a)(9)-1 through 1.401(a)(9)-9 of the Treasury Regulations. The provisions in the Plan reflecting Code Section 401(a)(9) shall override any distribution option in the Plan inconsistent with Code Section 401(a)(9)."

6. Paragraph (a) of Section 18.4 is amended by adding the following at the end thereof to read:

"Periodic payments made under this Section shall not exceed the number of payments that would otherwise be permitted under Section 7.1(e)."

7. The last sentence of Paragraph (b) of Section 18.4 is amended to read as follows:

"Such payment shall be made no later than the December 31 of the calendar year immediately following the calendar year in which the Participant died."

8. Paragraph (b) of Section 22.3 is amended to read as follows:

"(b) A Participant who (i) has an Account Balance that exceeds $5,000, (ii) had amounts transferred to the Plan from the Claridge Plan pursuant to this ARTICLE XXII and (iii) terminates employment for any reason other than his death, may elect, in lieu of the benefit forms available under Section 7.1 and Section 7.3, to receive a distribution of his Vested Account Balance in the form of substantially equal monthly, quarterly or annual installments over a period not to exceed the period determined under Section 7.1(e); provided, however, that the Participant (or Beneficiary) may elect to receive an earlier payment of such Account Balance."

9. Effective Date.

This Third Amendment to the Plan shall be effective as of January 1, 2003.

IN WITNESS WHEREOF, Park Place Entertainment Corporation has executed this Third Amendment to the Plan on this 30th day of December, 2003.

ATTEST: PARK PLACE ENTERTAINMENT CORPORATION

/s/ Carleeta Howard By: /s/ Wallace R. Barr

Title: President

FOURTH AMENDMENT
TO THE
CAESARS ENTERTAINMENT
401(k) SAVINGS PLAN

WHEREAS, The Restated Park Place Entertainment Corporation 401(k) Savings Plan (the "Plan") was adopted on March 22, 2001;

WHEREAS, under Section XIII of the Plan, Park Place Entertainment Corporation ("Park Place") reserved the right to amend the provisions of the Plan through the action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, 2002;

WHEREAS, the Third Amendment to the Plan was adopted on December 30, 2003;

WHEREAS, as of January 5, 2004, Park Place changed its corporate name to Caesars Entertainment, Inc ("Caesars");

WHEREAS, as of January 23, 2004, the Board of Directors of Caesars resolved, in connection with Park Place becoming Caesars, to rename the Plan the "Caesars Entertainment 401(k) Savings Plan" and to amend the Plan to reflect such change;

WHEREAS, as a result of the sale of the LVH Corporation ("LVH") to Colony Resorts LVH Acquisitions, LLC ("Colony") (a) LVH ceased to be a participating employer in the Plan and (b) Colony became the employer of certain individuals who were employed by LVH on June 17, 2004 and, in connection therewith, established the Colony Resorts LVH 401(k) Savings Plan ("the Colony Plan");

WHEREAS, the employee benefit provisions of the December 24, 2003 Purchase and Sale Agreement by and among Colony, LVH and Park Place (now Caesars) provide for the Plan assets and liabilities attributable to the former LVH employees who have became participants in the Colony Plan to be transferred from the Plan to the Colony Plan;

WHEREAS, all stock amounts held in the Starwood Stock Fund under the Plan have been liquidated and in connection with such liquidation, the Starwood Stock Fund ceased to exist under the Plan; and

WHEREAS, it is necessary to amend the Plan (a) to reflect the change in the name of the Plan; (b) to provide for (i) the cessation of LVH as a participating employer under the Plan (ii) the transfer of assets and liabilities from the Plan to the Colony Plan with respect to former LVH employees who have become participants in the Colony Plan and (iii) special rules

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for former LVH employees who were employed by LVH on June 17, 2004 and by Colony on June 18, 2004; (c) to provide that, as a result of the liquidation of all stock amounts held under the Starwood Stock Fund, the stock distribution right of those participants with a balance in the Starwood Stock Fund shall no longer apply under the Plan; and (d) to make other changes under the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.15 is amended to read as follows:

"1.15 'Company' shall mean Caesars Entertainment, Inc., and any successors thereto."

2. Section 1.16 is amended to read as follows:

"1.16 'Compensation' shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually' rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any completion or retention payments, any moving expenses, any relocation bonuses, any severance or salary continuation payments received by a Participant, all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, and any contributions made under any insurance or welfare plan. Compensation shall include Salary Deferral Contributions hereunder, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a. Code Section 132(f) transportation program."

3. Section 1.37 is amended to read as follows:

"1.37 'Plan' shall mean the Caesars Entertainment 401(k) Savings Plan. The Plan is intended to be a profit sharing plan as described in Section 401(a)(27) of the Code."

4. Section 11.9(e) is amended to read as follows:

"(e) The Committee shall not be bound by any notice or other communication unless and until it shall have been received in writing addressed to the Company at:

Human Resources Department
Caesars Entertainment, Inc.
3930 Howard Hughes Parkway, Suite 400
Las Vegas, NV 89109"

5. Section 20.3 is amended to read as follows:

"20.3 (a) The Employer shall have no liability in respect to the payment of benefits or otherwise under the Plan; and the Employer shall have no liability in respect to the administration of the Trust or of the Fund held by the Trustees, and each Participant and/or Beneficiary shall look solely to the Fund for any payments or benefits under the Plan.

(b) The payment of any benefit under the Plan to a Participant, Beneficiary, guardian of a minor Beneficiary or guardian of a minor 'alternate payee' (as defined in Code Section 414(p)(8)) shall be a full and sufficient discharge to the Trustee and the Committee for the payment thereof, and the Trustee and the Committee shall be exonerated from all liability and responsibility by reason of any amount so paid irrespective of the application or use thereof which may be made by any such Participant, Beneficiary or guardian, and the Trustee and the Committee shall have no duty to see to the application of any such amount."

6. Section 21.7 is amended by adding the following new sentences to the end thereof to read:

"As of August 2, 2004, all stock amounts held in the Starwood Stock Fund under the Plan have been liquidated, and the Starwood Stock Fund ceased to exist under the Plan. Effective August 2, 2004, the stock distribution right described in this Section shall no longer apply,"

7. The following new Article XXIII is added to the Plan immediately following Article XXII to read:

"ARTICLE XXIII

Special Provisions Pertaining to
Employees of LVH Corporation Transferring to
Colony Resorts LVH Acquisitions, LLC

23.1 General

Effective as of and from midnight on June 17, 2004, LVH Corporation ('LVH') shall cease being a participating Employer under the Plan. Notwithstanding anything else in the Plan to the contrary, the special provisions of this Article XXIII shall apply to certain Participants described in this Article who were employed by LVH on June 17, 2004 ('LVH Participants').

23.2 Vested Interest of LVH Participants

A LVH Participant who is employed by Colony Resorts LVH Acquisitions, LLC ('Colony) on June 18, 2004, shall be fully vested in his Account Balance as of such date.

23.3 Contributions on Behalf of LVH Participants

LVH shall make any Matching Contribution to the Matching Contribution Account of a LVH Participant that is required under the Plan and related to such Participant's Salary Deferral Contributions made with respect to Compensation earned up to and including June 17, 2004.

23.4 Account Balances of LVH Participants

As soon as practicable following the cessation of LVH as a participating Employer under the Plan, the entire Account Balance (including any outstanding loans) of each LVH Participant described below shall be transferred to the Colony Resorts LVH 401(k) Savings Plan (the 'Colony Plan') for application under the terms of the Colony Plan, and all liabilities relating to such Account Balances shall be assumed by the Colony Plan on July 28, 2004. This Section 23.4 shall apply only to LVH Participants who are employed by Colony on June 18, 2004 and who remain employed by Colony through July 28, 2004. All other LVH Participants shall receive a distribution of their Account Balances in accordance with the provisions of Article VII of the Plan

23.5 Special Loan Rules Applicable to Certain LVH Participants

(a) If a LVH Participant with an outstanding loan under the Plan becomes employed by Colony on June 18, 2004, the provisions of Section 9.5(b) of the Plan shall not apply to an outstanding loan of a LVH Participant and such LVH Participant may continue to repay principal and interest on any such outstanding loan by payroll deduction or in any other manner agreed to pursuant to Section 9.7; provided, however, that if any such LVH Participant subsequently terminates employment with Colony prior to July 28, 2004 and has an outstanding loan under the Plan at the time of such termination of employment, such Participant's loan shall become subject to the provisions of Section 9.5(b).

(b) Until the date or dates specified in any notice of any 'Blackout Period' (as defined under Section 101(i)(7) of ERISA) that occurred in connection with the transfer of assets from the Plan to the Colony Plan, a LVH Participant who is employed by Colony on June 18, 2004 and remains employed through July 28, 2004 may apply for a loan pursuant to Article IX of the Plan."

IN WITNESS WHEREOF, Caesars Entertainment, Inc. has executed this Fourth Amendment to the Plan on this 30th day of December, 2004.

ATTEST:

/s/ Carleeta Howard

CAESARS ENTERTAINMENT, INC.

By: /s/ Steven F. Bell

Title: EVP Human Resources

FIFTH AMENDMENT
TO THE
CAESARS ENTERTAINMENT
401(k) SAVINGS PLAN

WHEREAS, The Restated Caesars Entertainment 401(k) Savings Plan (the "Plan") was adopted on March 22, 2001;

WHEREAS, under Section XIII of the Plan, Caesars Entertainment, Inc. (the "Company") reserved the right to amend the provisions of the Plan;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, ;

WHEREAS, the Third Amendment to the Plan was adopted on December 30, ;

WHEREAS, the Fourth Amendment to the Plan was adopted on December 30, 2004;

WHEREAS, the Company and Harrah's Entertainment, Inc. have entered into an Agreement and Plan of Merger dated as of July 14, 2004, pursuant to which Harrah's is acquiring the Company ("the Acquisition");

WHEREAS, in connection with the Acquisition, the Company has decided to sell (a) GNOC Corporation ("GNOC") to RIH Acquisitions NJ, LLC ("RIH") and (b) Caesars Tahoe, a division of Desert Palace, Inc ("Caesars Tahoe") to Wimar Tahoe Corporation (collectively, the "Hotels");

WHEREAS, as a result of the sale of the GNOC to RIH (a) GNOC ceased to be a participating employer in the Plan and (b) RIH became the employer of certain individuals who were employed by GNOC on April 18, 2005 and, in connection therewith, RIH established the Resorts Hotels and Casinos 401(k) Plan ("the Resorts Plan");

WHEREAS, the employee benefit provisions of the September 27, 2004 Asset Purchase Agreement by and among Showboat Marina Casino Partnership, Tunica Partners II L.P., GNOC, Bally's Olympia Limited Partnership, and Resorts International Holdings, LLC, provide for the transfer from the Plan to the Resorts Plan of the assets and liabilities of certain former GNOC employees who became participants in the Resorts Plan;

WHEREAS, in view of the sale of the Hotels, on March 22, 2005 the Compensation Committee of the Board of Directors of the Company decided that it would be desirable to amend the Plan to provide for full vesting of the accounts of all participants in the Plan who (a) are employed at GNOC on the closing date of the sale or (b) are employed at Caesars Tahoe on the closing date of the sale (collectively, the "Affected Caesars 401(k) Participants"); and

WHEREAS, it is necessary to amend the Plan to provide for (a) the cessation of the Hotels as participating employers under the Plan, (b) the transfer of assets and liabilities from the Plan to the Resorts Plan with respect to certain former GNOC employees who became participants in the Resorts Plan, (c) special rules for former GNOC employees who were employed by GNOC on April 18, 2005 and by RIH on April 19, 2005, (d) full vesting of the accounts of Affected Caesars 401(k) Participants, (e) changes in the mandatory distribution rules under the Plan and (f) procedural changes in connection with the transfer of a participant's Plan account balance to a plan sponsored by an Affiliate.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 7.3(b) is amended to read as follows:

"(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section does not exceed $1,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $1,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment, provided that the Participant elects to receive such immediate distribution of his Vested Account Balance by filing an election with the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $1,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment, such Participant (hereinafter referred to as a "Terminated Vested Participant") shall receive a distribution of his Vested Account Balance in accordance with paragraph (c) of this Section."

2. Section 14.1 is amended to read as follows:

"14.1 Transfers to Plans Maintained by Affiliates. If a Participant becomes employed by an Affiliate and becomes eligible to participate in a qualified defined contribution plan maintained by such Affiliate, the Participant's Account Balance (including any amounts in such Account Balance attributable to an outstanding loan made to such Participant) shall be transferred into the qualified defined contribution plan of such Affiliate, unless otherwise requested by such Participant; provided, however, that:

(a) the terms of the defined contribution plan of such Affiliate must permit such plan to receive a direct transfer of the Participant's Account Balance, and

(b) no transfers shall be made under this Section 14.1 until the Participant is fully vested in his Matching Contribution Account."

3. The following new Article XXIV is added to the Plan immediately following Article XXIII to read:

"ARTICLE XXIV

Special Provisions Pertaining to
Employees of GNOC Corporation Transferring to
RIH Acquisitions NJ, LLC

General

Effective as of and from midnight on April 18, 2005, GNOC Corporation ("GNOC") shall cease being a participating Employer under the Plan. Notwithstanding anything else in the Plan to the contrary, the special provisions of this Article XXIV shall apply to certain Participants described in this Article who were employed by GNOC on April 18, 2005 ("GNOC Participants").

Vested Interest of GNOC Participants

A GNOC Participant shall be fully vested in his Account Balance.

Contributions on Behalf of GNOC Participants

GNOC shall make any Matching Contribution to the Matching Contribution Account of a GNOC Participant that is required under the Plan and related to such Participant's Salary Deferral Contributions made with respect to Compensation earned up to and including April 18, 2005.

Account Balances of GNOC Participants

As soon as practicable following the cessation of GNOC as a participating Employer under the Plan, the entire Account Balance (including any outstanding loans) of each GNOC Participant described below shall be transferred to the Resorts Hotels and Casinos 401(k) Plan (the "Resorts Plan") for application under the terms of the Resorts Plan, and all liabilities relating to such Account Balances shall be assumed by the Resorts Plan on June 3, 2005. This Section 24.4 shall apply only to GNOC Participants who are employed by RIH on April 19, 2005, who remain employed by RIH through May 31, 2005, and on May 31, 2005 are not employed by any other participating employer in the Plan. All other GNOC Participants shall receive a distribution of their Account Balances in accordance with the provisions of Article VII of the Plan.

Special Loan Rules Applicable to Certain GNOC Participants

(a) If a GNOC Participant with an outstanding loan under the Plan becomes employed by RIH on April 19, 2005, the provisions of Section 9.5(b) of the Plan shall not apply to an outstanding loan of a GNOC Participant and such

GNOC Participant may continue to repay principal and interest on any such outstanding loan by payroll deduction or in any other manner agreed to pursuant to Section 9.7; provided, however, that if any such GNOC Participant subsequently terminates employment with RIH prior to June 1, 2005 and has an outstanding loan under the Plan at the time of such termination of employment, such Participant's loan shall become subject to the provisions of Section 9.5(b).

(b) Until the date or dates specified in any notice of any "Blackout Period" (as defined under Section 101(i)(7) of ERISA) that occurred in connection with the transfer of assets from the Plan to the Resorts Plan, a GNOC Participant who is employed by RIH on April 19, 2005 and remains employed through May 31, 2005 may apply for a loan pursuant to Article IX of the Plan."

4. The following new Article XXV is added to the Plan immediately following Article XXIV to read:

"ARTICLE XXV

Special Provisions Pertaining to Employees of
Caesars Tahoe

General

Effective as of and from midnight on June 10, 2005, Caesars Tahoe, a division of Desert Palace, Inc, LLC ("Caesars Tahoe") shall cease being a participating Employer under the Plan. Notwithstanding anything else in the Plan to the contrary, the special provisions of this Article XXV shall apply to certain Participants described in this Article who were employed by Caesars Tahoe on June 10, 2005 ("Caesars Tahoe Participants").

IN WITNESS WHEREOF, Caesars Entertainment, Inc. has executed this Fifth Amendment to the Plan on this 10th day of June, 2005.

ATTEST:

/s/ Carleeta Howard

CAESARS ENTERTAINMENT, INC.

By: /s/ Bernard E. DeLury, Jr.
Bernard E. DeLury, Jr.
Executive Vice President,
Title: General Counsel and Secretary

Exhibit 99.7

SIXTH AMENDMENT
TO THE
CAESARS ENTERTAINMENT
401(k) SAVINGS PLAN

WHEREAS, the Caesars Entertainment, Inc. 401(k) Savings Plan (the "Plan") is maintained by Harrah's Operating Company, Inc. (the "Company");

WHEREAS, under Article XIII of the Plan, the Company reserved the right to amend the Plan through action of its Board of Directors;

WHEREAS, the Company entered into an Agreement and Plan of Merger, dated July 14, 2004 (the "Merger Agreement"), pursuant to which Caesars Entertainment, Inc. upon the terms and subject to the conditions set forth in the Merger Agreement merged with and into the Company, a wholly-owned subsidiary of Harrah's Entertainment, Inc., with the Company as the surviving entity (the "Merger");

WHEREAS, it has become necessary in connection with the Merger to amend the Plan in order to change the amendment authority under the Plan; and

WHEREAS, the Board of Directors approved the adoption of this amendment, which was mistakenly numbered as the Fifth Amendment at the time the resolutions were executed.

NOW, THEREFORE, the Plan is hereby amended effective as of July 19, 2005, by replacing the first sentence of paragraph (a) of Section 13.1 with the following:

> "The provisions of this Plan may be amended at any time and from time to time, by action of the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc. ("Harrah's"). Notwithstanding the foregoing, any one of the Vice President of Compensation, Benefits and HRIS of Harrah's or the Vice President of Benefits of Harrah's may effect any amendment or amendments necessary or appropriate to bring the Plan into conformity with legal requirements or to improve the administration of the Plan, provided that no such amendments may involve an increase in the cost for benefits under the Plan."

IN WITNESS WHEREOF, Harrah's Operating Company, Inc. has executed this Sixth Amendment to the Plan on this 13th day of December, 2005.

HARRAH'S OPERATING COMPANY, INC

By: /s/ Jeffrey Shovlin
Title: Vice President

Exhibit 99.8

SEVENTH AMENDMENT
TO THE
CAESARS ENTERTAINMENT
401(k) SAVINGS PLAN

WHEREAS, the Caesars Entertainment 401(k) Savings Plan (the "Plan") is maintained by Harrah's Operating Company, Inc.;

WHEREAS, pursuant to the Sixth Amendment to the Plan (which was misnumbered as the Fifth Amendment), Article XIII of the Plan provides that the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc. (the "HRC") has the power to amend the Plan;

WHEREAS, it is now desirable to amend the Plan in order to provide the opportunity for participants to invest in the common stock of Harrah's Entertainment, Inc. under the Plan;

WHEREAS, it is necessary to amend the Plan to reflect changes resulting from the merger of Caesars Entertainment, Inc., the Company's parent, into Harrah's Operating Company, Inc., including updating the list of participating employers and reflecting proper service crediting; and

WHEREAS, it is necessary to amend the Plan to incorporate the automatic rollover requirements in the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows, effective as provided herein:

1. Effective June 13, 2005, by substituting the following for Section 1.15 of the Plan:

   "1.15 'Company' shall mean Harrah's Operating Company, Inc. and any successors thereto."

2. Effective June 13, 2005, by substituting the following for the first sentence of Section 1.19 of the Plan:

   "'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of an Employer within a designated group at a location for which such Employer has adopted the Plan and who has completed Six Months of Eligibility Service."

3. Effective June 13, 2005, by substituting the following for Section 1.21 of the Plan:

   "1.21 'Employer' shall mean the Company and any Affiliate which adopts the Plan with respect to one or more locations. Appendix A hereto sets forth the names of all Employers and the locations for which they have adopted the Plan."

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4. Effective January 1, 2006, by adding the following as new Section 1.25A to the Plan:

   "1.25A 'Harrah's Stock' shall mean shares of common stock of Harrah's Entertainment, Inc., par value $0.10 per share."

5. Effective January 1, 2006, by adding the following as new Section 1.25B to the Plan:

   "1.25B 'Harrah's Stock Fund' shall mean the Investment Fund which holds Harrah's Stock as an investment under Section 5.6."

6. Effective June 13, 2005, by adding "or Affiliate" after the term "Employer" wherever it appears in Section 1.28 of the Plan.

7. Effective January 1, 2006, by adding the new subsection 1.28(d) of the Plan:

   "(d) For any salaried Employee who is exempt for purposes of the Fair Labor Standards Act, Hours of Service shall be determined based on such Employee's payroll frequency. The following number of Hours of Service shall be credits based on the appropriate payroll frequency:

Units of time	Hours of Service
day	10 hours
week	45 hours
semi-monthly	95 hours
monthly	190 hours."

8. Effective June 13, 2005, by adding the following as Section 1.28A to the Plan:

   "1.28A 'HRC' shall mean the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc."

9. Effective June 13, 2005, by adding the following as Section 1.28B to the Plan:

   "1.28B 'Investment Committee' shall mean the committee appointed by the HRC to exercise the responsibilities set forth in Section 5.3."

10. Effective January 1, 2006, by substituting the following for Section 1.29 of the Plan:

"1.29 'Investment Funds' means the Investment Funds available under the Plan, including the Harrah's Stock Fund and other Investment Funds provided for in Section 12.2 of the Plan."

11. Effective June 13, 2005, by adding the following as new Section 1.49A(h) of the Plan:

"(h) Any Employee's service with Harrah's Entertainment, Inc. or any entity that is treated as a member of its controlled group under Code Section 414(b), (c) and (m) that occurred prior to June 13, 2005 (without regard to any Breaks in Service) shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided however that any such individual must be actually employed by an Employer to become an Eligible Employee in the Plan."

12. Effective June 13, 2005, by adding the following as new Section 1.50(i) of the Plan:

"(i) Any Employee's service with Harrah's Entertainment, Inc. or any entity that is treated as a member of its controlled group under Code Section 414(b), (c) and (m) that occurred prior to June 13, 2005 (without regard to any Breaks in Service) shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'."

13. Effective June 13, 2005, by substituting the following for the last sentence of Section 3.8(e)(iv) of the Plan:

"If the Participant is entitled to receive an additional Matching Contribution under Section 3.2(b), such additional Matching Contribution shall be made by the Employer who employs the Participant as an Eligible Employee on the last day of the Plan Year. If, on the last day of the Plan Year, the Participant is not an Eligible Employee of his Employer, the additional Matching Contribution, if any, allocable to such Participant will be made by the Employer that employed the Participant as an Eligible Employee in that Plan Year."

14. Effective June 13, 2005, by substituting the following for Section 5.2(c) of the Plan:

"(c) The selection of any Investment Fund is the sole and exclusive responsibility of each Participant and its intended that the selection of an Investment Fund by each Participant be within the parameters of Section 404(c) of ERISA and the regulations thereunder. None of the Employers, nor the Trustee, nor any Committee or Investment Committee member, nor any of the directors, officers, agents or Employees of the Employers are empowered to or shall be permitted to advise a Participant as to the manner in which his Account Balance shall be invested or changed. No liability whatsoever shall be imposed upon the Employers, the Trustee, any Committee or Investment Committee member, or any director, officer, agent or Employee of an Employer for any loss resulting to a Participant's account because of (i) any sale or investment directed by a Participant under this Section, (ii) the Participant's failure to take any action regarding an investment acquired pursuant to such elective investment, or (iii) for the Participant's failure to make effective investment election. If the Participant fails or declines to make an effective investment election, the Participant's Accounts shall be held in one or more default Investment Funds, other than the Harrah's Stock Fund, as selected by the Investment Committee."

15. Effective June 13, 2005, by adding the following as new Section 5.3 of the Plan:

"5.3 Investment Committee

(a) The Investment Committee:

(i) has the responsibility and authority to evaluate, select and remove the Investment Funds, other than the Harrah's Stock Fund;

(ii) has the authority to appoint and remove an investment manager (within the meaning of Section 3(38) of ERISA);

(iii) is entitled to vote proxies or exercise any shareholder rights relating to shares held on behalf of the Plan in a registered investment company;

(iv) has the authority to retain and dismiss investment advisors and other consultants;

(v) may exercise its authority with respect to other powers granted under the Plan or the Trust Agreement;

(vi) may delegate its authority and responsibilities as permitted by law; and

(vii) may otherwise deal with the Trustee with respect to the Fund.

(b) Members of the Investment Committee will serve without compensation. However, reasonable expenses of the Investment Committee may be paid by the Plan to the extent they are not paid by the Company."

16. Effective June 13, 2005, by adding the following as new Sections 5.4, 5.5, 5.6 and 5.7 of the Plan:

"5.4 Participants Have Right to Vote and Tender Harrah's Stock. Each Participant shall be entitled to instruct the Trustee as to the voting or tendering of any full or partial shares of Harrah's Stock held on his behalf under the Plan in the Harrah's Stock Fund. Prior to such voting or tendering of Harrah's Stock, each Participant shall receive a copy of the proxy solicitation or other material relating to such vote or tender decision and a blank form for the Participant to complete which confidentially instructs the Trustee to vote or tender such shares in the manner indicated by the Participants. Upon receipt of such instructions, the Trustee shall act with respect to such shares as instructed. Neither the

Investment Committee nor the Trustee shall vote or tender any shares for which instructions are not received from Participants. To the extent that any Beneficiary controls the investment of an account under the Plan, he will have the rights a Participant has under this section.

5.5 Registration and Disclosure for Harrah's Stock. The Investment Committee shall be responsible for determining the applicability of (and, if applicable, complying with) the requirements of the Securities Act of 1933, as amended, and any other applicable blue sky law. The Investment Committee shall also specify what restrictive legend or transfer restriction, if any, is required to be set forth on the certificates for the securities and the procedure to be followed by the Trustee to effectuate a resale of such securities.

5.6 Harrah's Stock Fund.

(a) The Harrah's Stock Fund shall be at all times one of the Investment Funds available under the Plan. The Harrah's Stock Fund shall be invested primarily in shares of Harrah's Stock (except that the Harrah's Stock Fund may be invested in rights, warrants and options issued with respect to Harrah's Stock (to the extent permitted by the Code and ERISA as determined by the Investment Committee)). Dividends paid on shares of Harrah's Stock held in the Harrah's Stock Fund, if any, shall be reinvested and used to purchase additional shares of Harrah's Stock.

(b) The assets of the Harrah's Stock Fund shall be valued in accordance with the applicable provisions in the Trust Agreement and Section 5.7 of the Plan. The Committee shall determine the manner in which the interests of the Accounts of Participants in the Harrah's Stock Fund shall be denominated.

(c) No dividend payable on Harrah's Stock shall constitute an annual addition for purposes of Section 4.7**;** deferral for purposes of Section 4.1 (relating to the Code section 402(g) limit); a deferral for purposes of Section 4.3 (relating to the actual deferral percentage test); or a contribution for purposes of Section 4.5 (relating to the Actual Contribution Percentage Test).

(d) The Plan is an 'eligible individual account plan', as defined in ERISA Section 407(d)(3), and provides for the acquisition and holding of "qualifying employer securities" as defined in ERISA Section 407(d)(5).

5.7 Harrah's Stock Valuation. Notwithstanding the foregoing provisions, in all cases the valuation provisions of this Plan and the Trust Agreement, including the selection of a valuation date for any purpose under this Plan, shall be interpreted and applied in a manner consistent with the applicable requirements under Code Sections 409 and 4975(e)(7), the regulations issued thereunder, and any related or successor statutes or regulations, that must be satisfied in order to qualify for the prohibited transaction exemption under Code Section 4975(d)(3). In this connection, all valuations of Harrah's Stock contributed to or acquired by the Plan which at the time of such valuation is not readily tradable on an established securities market within the meaning of Code Section 401(a)(28) shall be made by an independent appraiser (within the meaning of Code Section 170(a)(1)), whose name shall be reported to the Internal Revenue Service."

17. Effective for distributions made on or after March 28, 2005, Section 7.3(b) of the Plan is hereby amended to read in its entirety as follows:

"(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is less than $200, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is at least $200 but not greater than $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment or, if elected by the Participant, in a Direct Rollover described in Section 7.7; provided, however, if the Participant's Vested Account Balance is greater than $1,000 but not greater than $5,000 and the Participant fails to make an election, the Committee shall distribute the Participant's Vested Account Balance in a Direct Rollover pursuant to Section 7.7 to an individual retirement account (described in Code Section 408(a) or an individual retirement annuity (described in Code Section 408(b)) designated by the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is greater than $5,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment or a Direct Rollover described in Section 7.7, such Participant (hereinafter referred to as a 'Terminated Vested Participant') shall receive a distribution of his Vested Account Balance in accordance with paragraph (c) of this Section.

If such Participant should die prior to receiving distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's Vested Account Balance in accordance with paragraph (c) of this Section."

18. Effective June 13, 2005, by adding the following as new Section 11.1(b)(iii) of the Plan:

"(iii) The Investment Committee established to manage and control the assets of the Plan as set forth in Section 5.3."

19. Effective June 13, 2005, by substituting the following for Section 11.3(c) of the Plan:

"(c) The Investment Committee may appoint an Investment Manager or Managers to manage, acquire and dispose of any assets of the Plan. Any such Investment Manager shall be an investment manager within the meaning of ERISA Section 3(38). The appointment of any such Investment Manager shall not be effective until such Investment Manager has acknowledged in writing that it is a Fiduciary with respect to the Plan."

20. Effective June 13, 2005, by substituting the following for the address at Section 11.9(e):

"Harrah's Entertainment, Inc.
c/o Corporate Benefits Department
One Harrah's Court
Las Vegas, NV 89119."

21. Effective January 1, 2006, by substituting the following for Section 12.2 of the Plan:

"12.2 Investment Fund. The Fund shall be composed of the Harrah's Stock Fund and any other Investment Funds designated by the Investment Committee consisting of amounts in Participants' Salary Deferral Contributions Accounts, Matching Contributions Accounts, After Tax Contribution Accounts and Rollover Contributions Accounts and the earnings thereon that accrue from time to time."

22. Effective June 13, 2005, by replacing Appendix A with the following:

"APPENDIX A

Names of Employers & Locations

Each Employer listed below has adopted the Plan for all Eligible Employees at each of its locations unless indicated otherwise.

Parball Corporation (Bally's & Paris Las Vegas)
FHR Corporation
Flamingo Hilton – Laughlin, Inc.
LVH Corporation
Bally's Park Place Inc. (New Jersey)
Atlantic City Country Club, Inc.
Caesars World, Inc.
Caesars World Business Services Corporation
Caesars World Entertainment, Inc.
Caesars World Merchandising, Inc.
Desert Palace, Inc. dba Caesars Palace LV
Boardwalk Regency Corporation (Caesars Atlantic City)
Bally's Skyscraper, Inc. (Claridge Atlantic City)
Roman Holding Corporation of Indiana (Caesars Indiana)

IN WITNESS WHEREOF, the undersigned officer of Harrah's Entertainment, Inc. hereby certifies that the HRC duly adopted this Seventh Amendment to the Plan on December 15, 2005.

By: /s/ Nizar Jabara
Name: Nizar Jabara
Title: Vice President of Compensation, Benefits & HRSS

THE RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

Effective January 1, 1999

THE GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, Grand Casinos, Inc. (the "Old Grand") maintained the Grand Casinos 401(k) Savings Plan (the "Old Grand Casinos Plan") for the benefit of its eligible employees, including those employed in Grand's Mississippi gaming operations (the "Eligible Mississippi Employees"); and

WHEREAS, Park Place Entertainment Corporation has acquired Old Grand by means of a merger, effective December 31, 1998, resulting in Grand Casinos, Inc. (the "Company") becoming a subsidiary of Park Place Entertainment Corporation; and

WHEREAS, in connection with such merger, Lakes Gaming, Inc. ("Lakes") has replaced Old Grand as the sponsor of the Old Grand Casinos Plan and the Eligible Mississippi Employees terminated participation in the Old Grand Casinos Plan; and

WHEREAS, the Company established the Grand Casinos 401(k) Savings Plan (the "Plan") effective January 1, 1999, a profit sharing plan containing a Section 401(k) cash or deferred feature for the benefit of the Eligible Mississippi Employees and newly eligible employees of the Company; and

WHEREAS, the account balances held under the Old Grand Casinos Plan attributable to Eligible Mississippi Employees were transferred to the Plan; and

WHEREAS, in light of the desire to incorporate into the Plan (i) regulations enacted after January 1, 1999, (ii) provisions for transfers from the Caesars Plan and the BEST Plan

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to this Plan and (iii) certain other changes to the Plan, it has been decided to amend and entirely restate the Plan.

NOW, THEREFORE, except as otherwise provided in the Plan, effective January 1, 1999, the Plan is hereby amended and restated as set forth herein.

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THE GRAND CASINOS 401(k) SAVINGS PLAN

ARTICLE I.
DEFINITIONS

1.1 "Account Balance" shall mean the sum of the account balances in the Participant's Salary Deferral Contribution Account, Matching Contribution Account, Rollover Contribution Account and After Tax Contribution Account.

1.2 "Adjusted Compensation" shall mean wages within the meaning of Section 3401(a) of the Code (without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or services performed) received by an Employee during a Plan Year and all other payments of compensation to the Employee during the Plan Year for which the Employer is required to furnish a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code.

1.3 "Adjustment Factor" shall mean the cost of living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Code, as applied to such items and in such manner as the Secretary shall provide.

1.4 "Affiliate" shall mean any corporation which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Section 414(c) of the Code) with the Employer; and any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in

Section 414(m) of the Code) which includes the Employer.

1.5 "After Tax Contribution" shall mean the amount contributed to the Plan in accordance with Section 3.3.

1.6 "After Tax Contribution Account" shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.7 "Annual Additions" shall mean the total of all Salary Deferral Contributions, Matching Contributions and After Tax Contributions credited to each Participant under this Plan for each Limitation Year. To the extent applicable, Annual Additions shall also include amounts described in Sections 415(1) and 419A(d) (2) of the Code.

1.8 "Beneficiary" shall mean the person, legal representative, estate or trust designated under Article VIII to receive payments on account of the death of the Participant.

1.9 "BEST Plan" shall mean the Ballys Employee Savings Trust for Employees of Bally's Casino Holdings, Inc.

1.10 "Caesars Plan" shall mean the Caesars 401(k) Plan.

1.11 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.12 "Committee" shall mean the Administrative Committee the Company which administers the Plan pursuant to Article XI.

1.13 "Company" shall mean Grand Casinos, Inc., and any successors thereto.

1.14 "Compensation" shall mean salary, wages, bonuses,

overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses, all Matching Contributions to this Plan and any other employer any other pension or profit sharing plan, or contributions made under any insurance or welfare plan.

1.15 "Disability" shall mean a physical or mental condition of a Participant which in the opinion of the Committee and based on medical evidence is believed to be permanent and to render the Participant unfit to perform the duties of an Employee, and for which he is either eligible for disability benefits under the Social Security Act or would have been eligible for disability benefits under the Social Security Act if he had satisfied the minimum employment requirements under such Act.

1.16 "Effective Date" of this Plan shall mean January 1, 1999.

1.17 “Eligible Employee” shall mean, except as provided herein, any person who is an Employee of the Employer and has completed a Year of Eligibility Service. For purposes of the Plan, an Eligible Employee shall not include: (a) any Employee who is included in a unit covered by a collective bargaining agreement between Employee representatives and the Employer

unless the bargaining agreement specifically provides for participation in this Plan or (b) any individual retained directly or through a third party agency, including a leasing organization within the meaning of Code Section 414(n)(2), to perform services for the Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity, to the extent that such individual is or has been determined by a governmental entity, court, arbitrator, or other third party, to be an employee of the Employer for any purpose, including tax withholding, employment tax, employment law or for purposes of any other employee benefit plan of the Employer.

1.18 “Employee” shall mean any individual hired by the Employer as an employee. For purposes of this Plan, an Employee shall not include any individual retained directly or through a third party agency, including a leasing organization within the meaning of Code Section 414(n)(2), to perform services for the Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity.

1.19 “Employer” shall mean the Company and any Affiliate which adopts the Plan.

1.20 “Employment Commencement Date” shall mean the first date on which an Employee (or a returning Employee) completes an Hour of Service.

1.21 “Entry Date” shall mean the first day of any payroll period.

1.22 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.23 “Fund” shall mean all funds and assets held and administered by the Trustee at any time under the Trust, out of which payments under this Plan shall be made.

1.24 “Highly Compensated Employee” shall mean, with respect to the Employer, an Employee who performed services for the Employer during the “determination year” and at any time during the “determination year” or the “look-back year” was a 5% owner of the Employer or any Affiliate, or who, during the “look-back year”, received Adjusted Compensation from the Employer or any Affiliate in excess of $80,000 (as adjusted pursuant to Section, 415(d) of the Code).

For purposes of this Section: (a) the “determination year” shall be the Plan Year for which compliance is being tested, (b) the “look-back year” shall be the 12-month period immediately preceding the determination year, and (c) “Adjusted Compensation” shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

If the Employer makes an election for any year in determining whether an Employee is a Highly Compensated Employee for such year, the first paragraph shall be applied by substituting

“$80,000 (as adjusted pursuant to Section 415(d) of the Code) and who was member of the ‘top-paid group’ for such year” for “$80,000 (as a adjusted pursuant to Section 415(d) of the Code)” therein. The “top-paid group” for a look-back year shall consist of the top 20% of Employees ranked on the basis of compensation received during the year excluding Employee described in Section 414(q)(5) of the Code an Treasury Regulations thereunder.

1.25 “Hour of Service” shall mean:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer.

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty or military duty. Notwithstanding the preceding sentence, no more than 501 Hours of Service shall be credited under this paragraph (b) to an Employee on account of any single continuous period during which the Employee performs no duties. The determination of Hours of Service for reasons other than the performance of duties, and the crediting of such hours, shall be made in accordance with the rules provided by Department of Labor Reg. §§2530.200b-2(b) and (c).

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both

under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). Crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in paragraph (b) shall be subject to the limitations set forth in that paragraph.

1.26 “Investment Funds” means the investment funds provided for in Section 12.2.

1.27 “Limitation Year” shall mean the 12 month period corresponding with the Plan Year.

1.28 “Matching Contribution” shall mean the matching contribution made by the Employer in accordance with Section 3.2.

1.29 “Matching Contribution Account” shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.30 “Nonhighly Compensated Employee” shall mean an Employee of the Employer who is not a Highly Compensated Employee.

1.31 “Normal Retirement Date” shall mean the Participant’s 65th birthday.

1.32 “One-Year Break in Service” means a Plan Year during which an Employee fails to compete more than 500 Hours of service.

Solely for purposes of determining whether a One-Year Break in Service for participation and vesting purposes has occurred in a Plan Year, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such

individual but for such absence, or in any case in which such hours cannot be determined, 8 Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence: (a) by reason of the pregnancy of the individual; (b) by reason of a birth of a child of the individual; (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual; or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (i) in the Plan Year in which the absence begins if the crediting is necessary to prevent a One-Year Break in Service in that period, or (ii) in all other cases, in the following Plan Year.

1.33 “Participant” shall mean any Eligible Employee who participates in the Plan as provided in Section 2.3 hereof. A Participant shall continue to be a Participant as long as he has an Account Balance hereunder.

1.34 “Plan” shall mean The Restated Grand Casinos 401(k) Savings Plan. The Plan is intended to be a profit sharing plan as described in Section 401(a)(27) of the Code.

1.35 “Plan Administrator” shall mean the Committee.

1.36 “Plan Year” shall mean the calendar year.

1.37 “Retirement” shall mean retirement by a Participant on or after attaining his Normal Retirement Date.

1.38 “Rollover Contribution” shall mean any rollover contribution made to the Plan by a Participant in accordance with Section 3.4.

1.39 “Rollover Contribution Account” shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.40 “Salary Deferral Contribution” shall mean the amount contributed to the Plan in accordance with Section 3.1.

1.41 “Salary Deferral Contribution Account” shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

1.42 “Termination of Employment” shall mean the voluntary severance of employment of an Employee, or the involuntary severance of employment of an Employee by the Employer, other than severance of employment by reason of death, Disability or Retirement under this Plan. For purposes of this Plan, an Employee shall not be considered to have a Termination of Employment until such Employee is no longer employed by the Employer or any Affiliate.

1.43 “Trust” shall mean the instrument executed pursuant to Article XII by the Employer and the Trustee.

1.44 “Trustee” shall mean the trustee designated as such under the Trust.

1.45 “Valuation Date” shall mean each business day of the calendar year.

1.46 “Year of Eligibility Service” shall mean:

(a) Either the twelve-month period beginning on the Employee’s Employment Commencement Date in which the Employee completes at least 1000 Hours of service or any Plan Year beginning with the Plan Year that includes the anniversary of such date in which the Employee completes at least 1000 Hours of Service.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Eligibility Service";

(ii) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Eligibility Service"; and

(iii) if on December 18, 1996 such individual was employed by Bally's Entertainment Corp. or any of its affiliates, any period during which such individual was employed by Bally's Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating a "Year of Eligibility Service";

provided, however, that any such individual who is not actually

employed by the Employer shall not become an Eligible Employee in the Plan.

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., any years of service credited to such individual under the Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Eligibility Service" under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998 shall be treated as employment as, an Employee for purposes of calculating a "Year of Eligibility Service" under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating a "Year of Eligibility Service"; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

1.47 "Year of Service" shall mean:

(a) Any Plan Year during which an Employee is credited with at least 1,000 Hours of Service.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Service";

(ii) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating a "Year of Service"; and

(iii) if on December 18, 1996 such individual was employed by Bally's Entertainment Corp. or any of its affiliates, any period during which such individual was employed by Bally's Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating a "Year of Service".

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., Years of Service under this Plan shall include any years of service credited to such individual under the Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998

shall be treated as employment as an Employee for purposes of calculating a "Year of Service".

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating a "Year of Service".

(f) If an Eligible Employee (i) ceases to be an Employee on account of his Termination of Employment, (ii) has no vested benefits under the Plan (iii) incurs five (5) consecutive One-Year Breaks in Service and (iv) is reemployed by the Employer, in determining such Participant's Years of service under the Plan, Years of Service shall be computed without regard to any Years of Service prior to the five (5) consecutive one-Year Breaks in Service.

ARTICLE II.
ELIGIBILITY AND PARTICIPATION

2.1 Any Employee who was eligible to participate in the old Grand Casinos Plan on December 31, 1998 shall be eligible to participate in the Plan on the Effective Date.

2.2 Each Employee who becomes an Eligible Employee on or after the Effective Date may elect to become a Participant hereunder on any Entry Date after becoming an Eligible Employee.

2.3 An Eligible Employee elects to become a Participant by authorizing Salary Deferral Contributions and/or After Tax Contributions to the Plan in accordance with Section 3.1 and/or Section 3.3.

2.4 Except as otherwise provided in Section 2.5, a Participant, or an Eligible Employee, who ceases to be an Eligible Employee or who has a Termination of Employment with the Employer, shall again become eligible to make Salary Deferral Contributions in accordance with Section 3.1 and/or After Tax Contributions in accordance with Section 3.3 on any Entry Date following the first date on which he completes an Hour of Service as an Eligible Employee.

2.5 If an Eligible Employee (i) ceases to be an Employee on account of his Termination of Employment, (ii) has no vested benefits under the Plan (iii) incurs five (5) consecutive one-Year Breaks in Service and (iv) is reemployed by the Employer, in determining the date on which such Employee shall again become an

Eligible Employee eligible to participate in the Plan, such Employee's Years of Eligibility Service shall be computed without regard to any Years of Eligibility Service prior to the five (5) consecutive One-Year Breaks in Service.

ARTICLE III.
CONTRIBUTIONS

3.1 Salary Deferral Contributions.

(a) (i) Each Eligible Employee may elect to become a Participant as of any Entry Date after becoming an Eligible Employee by authorizing the Employer (in the manner prescribed by the Committee) to reduce his Compensation for a payroll period by an amount equal to from one percent (1%) to fourteen percent (14%) (in whole percentages) of such Compensation for such payroll period and to have such amount deposited to the Plan as a Salary Deferral Contribution hereunder. In no event shall the sum of a Participant's Salary Deferral Contributions under this Section 3.1 and After Tax Contributions under Section 3.3 for a Plan Year exceed fourteen percent (14%) of such Participant's Compensation for such Plan Year.

(ii) Each Eligible Employee shall make such election prior to the Entry Date as of which he elects to become a Participant. The Eligible Employee's election shall specify the percentage of his Compensation for each payroll period that is to be contributed to the Plan as a Salary Deferral Contribution. The amount contributed to the Plan shall be credited to the Participant's Salary Deferral Contribution Account.

The election of the Participant shall remain in effect unless a new election is made by the Participant in accordance with paragraph (b) of this Section or Salary Deferral Contributions are suspended in accordance with paragraph (c) of this section.

(b) A Participant may increase or decrease his Salary Deferral Contributions, effective as soon as practicable but no earlier than the first day of any payroll period, in the manner prescribed by the Committee.

(c) A Participant may suspend his Salary Deferral Contributions, effective as soon as practicable but no earlier than the first day of any payroll period, in the manner prescribed by the Committee. Salary Deferral Contributions so suspended may not be subsequently made up. A Participant may recommence Salary Deferral Contributions to the Plan, effective as soon as practicable but no earlier than the first day of any subsequent payroll period, in the manner prescribed by the Committee. Salary Deferral Contributions shall cease automatically when a Participant ceases to be an Employee.

(d) A Participant shall be fully vested at all times in his Salary Deferral Contribution Account.

3.2 Matching Contributions.

(a) For each payroll period, the Employer may make a Matching Contribution to the Plan on behalf of each Participant who makes Salary Deferral Contributions and/or After Tax

Contributions during such payroll period. The amount of such Matching Contributions to be made for a payroll period shall be equal to fifty percent (50%) of the Salary Deferral Contributions and After Tax Contributions made on behalf of the Participant for that payroll period; provided, however, that in all cases, a Participant's Salary Deferral Contributions and After Tax Contributions for any payroll period in excess of six percent (6%) of such Participant's Compensation for such payroll period shall not be taken into account hereunder. If no Salary Deferral Contributions or After Tax Contributions are made on behalf of a Participant for a payroll period, no Matching Contribution shall be made for such Participant for that payroll period. Any Matching Contributions made hereunder shall be credited to the Participant's Matching Contribution Account.

(b) Notwithstanding the provisions of Section 3.2(a), if (i) as of the first day of a Plan Year a Participant has completed at least five (5) Years of Service and (ii) the Participant is employed by the Employer or an Affiliate on the last day of the Plan Year, such Participant shall receive an additional Matching Contribution for such Plan Year in an amount equal to fifty percent (50%) of the Matching Contributions made on behalf of such Participant during such Plan Year pursuant to Section 3.2(a). For purposes of determining whether a Participant is entitled to receive an additional Matching Contribution pursuant to this Section 3.2(b), the calculation of

a Participant's Years of Service shall begin on the first day of the first Plan Year coincident with or immediately following such Participant's Employment Commencement Date.

(c) Notwithstanding the foregoing, the Employer may, in its sole discretion, make additional Matching Contributions to the Plan on behalf of each Participant.

(d) A Participant shall vest in his Matching Contribution Account under the Plan in accordance with the provisions of Section 7.3

3.3 After Tax Contributions.

(a) Each Participant may elect to contribute After Tax Contributions to the Plan. Such After Tax Contributions shall be contributed to the Plan through after tax payroll deductions and shall be made in increments of one percent (1%) to fourteen percent (14%) of such Participant's Compensation for such payroll period. In no event shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under this Section 3.3 for a Plan Year exceed fourteen percent (14%) of such Participant's Compensation for such Plan Year. Any amounts so contributed by a Participant shall be credited to the Participant's After Tax Contribution Account.

(b) A Participant shall be fully vested at all times in his After Tax Contribution Account.

3.4 Rollover Contributions.

(a) The term "Rollover Contribution" shall mean any "rollover amount" described in Section 402(c) of the Code (including any direct transfers within the meaning of Section 401(a)(31) of the Code) and any "rollover contribution" described in Section 408(d)(3)(A)(ii) of the Code.

(b) Upon the request of a Participant, the Committee shall direct the Trustee to receive and accept funds constituting a Rollover Contribution from or on behalf of such Participant. Such request shall set forth the amount of the Rollover Contribution and the facts establishing that such amount constitutes a Rollover Contribution within the meaning of paragraph (a) of this Section. In no event shall the Trustee be obliged to (i) accept any funds as a Rollover Contribution if, upon advice of counsel, the receipt thereof could jeopardize the qualified or exempt status of the Plan or Trust, or (ii) accept property as a Rollover Contribution.

(c) A Rollover Contribution shall become part of the Trust Fund, as of the date such contribution is made, subject to the following provisions:

(i) A Rollover Contribution shall be credited to the Rollover Contribution Account for the Participant on whose behalf such contribution is made.

(ii) A Participant shall be fully vested at all times in his Rollover Contribution Account.

(iii) A Participant's interest in the Fund represented by his Rollover Contribution Account shall be distributed in full or segregated at the same time and in the same manner as such Participant's interest in the Fund as provided in Article VII.

(d) For purposes of this Section 3.4, the term Participant shall also include an Employee of the Employer, other than an Employee not eligible for the Plan under clauses (a) and (b) of Section 1.17.

3.5 Maintenance of Accounts for Each Participant.

The Committee shall maintain a separate Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account and Rollover Contribution Account in the name of each Participant. The maintenance of separate accounts shall not require a segregation of assets and shall not in any way limit the powers of the Trustee or the Committee with respect to the operation of the Fund. Such accounts shall at all times reflect the Account Balance of such Participant (or of his Beneficiary) and the Account Balance of a Participant on any date shall equal the sum of the balances in his accounts as of such date.

3.6 Irrevocable Divestiture by the Employer.

(a) Except as provided in Article IV and paragraphs (b), (c) and (e) of this Section, and notwithstanding any other provision of this Plan or of the Trust to the contrary, the

Employer irrevocably divests itself of any interest or reversion whatsoever in any sums contributed by the Employer to the Fund, and it shall be impossible for any portion of the Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Participants or their Beneficiaries and for payment of reasonable administrative expenses as provided in Section 18.4.

(b) If a contribution is made to the Plan due to a mistake of fact, such contribution shall be refunded to the Employer within one year of such contribution.

(c) All contributions by the Employer are conditioned upon their deductibility under Section 404 of the Code, and if part or all of the deduction for any contribution is disallowed, the contribution, to the-extent disallowed, shall be returned to the Employer within one year after the disallowance of the deduction.

(d) Refunds of contributions due to a mistake of fact or disallowance of a deduction shall be governed by the following requirements:

(i) Earnings attributable to the amount being refunded shall remain in the Plan, but losses thereto must reduce the amount to be refunded.

(ii) In no event may a refund be made that would cause the Account Balance of any Participant to be reduced to less than what the Participant's Account Balance would have been had the mistaken or nondeductible

amount not been contributed.

(e) If the Commissioner of Internal Revenue initially determines that the Plan and Trust as presently constituted or as amended prior to such determination do not qualify under Section 401(a) of the Code:

(i) all Salary Deferral Contributions and After Tax Contributions made by the Employer on behalf of Participants, and all assets of the Fund attributable to such contributions, shall be returned to the Participants on whose behalf the Employer made such contributions;

(ii) all Matching Contributions made by the Employer, and all assets of the Fund attributable to such contributions, shall be returned to the Employer; and

(iii) any Rollover Contributions made by Participants shall be returned to such Participants.

Upon the return of all such assets, this Plan and the Trust which forms a part of this Plan shall terminate and the Trustee shall be discharged from all obligations under the Trust.

3.7 Payment of Contributions to Trust Fund. The Employer shall make payment of the Salary Deferral Contributions and After Tax Contributions to the Fund under the terms hereof not later than the 15th business day of the month after the month during which such amounts would otherwise have been paid to the Employee

or such other time period permitted by applicable regulations. The Employer shall make the Matching Contributions to the Fund under the terms hereof not later than the due date for filing the Employer's Federal Income Tax Return for its fiscal tax year, including any extensions thereto.

3.8 Transfers of Employment.

(a) Transfer from Eligible to Ineligible Class of Employee. If a Participant transfers to an employee class that is covered by a collective bargaining agreement that does not require participation in the Plan ("Union Employee"), the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's Hours of Service and Years of Service with the Employer during the period of the Participant's employment as a Union Employee shall be taken into account for vesting purposes under this Plan.

(iii) The Participant shall no longer be eligible to make Salary Deferral Contributions or After Tax Contributions to the Plan.

(iv) The Participant shall not be entitled to any Matching Contributions under the Plan with respect to Compensation earned after the date of the transfer

and shall not be entitled to an additional Matching Contribution under Section 3.2(b).

(b) Transfer from Ineligible Class to Eligible Class. If a Union Employee transfers to an employee class that is eligible to participate in the Plan, the Employee's Hours of Service and Years of Service with the Employer during the period of such Employee's employment as a Union Employee shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting purposes under this Plan.

(c) Transfers to Affiliate. If a Participant transfers to employment with an Affiliate that has not adopted this Plan, the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's employment with the Affiliate shall be treated as employment as an Employee for vesting purposes under this Plan.

(iii) The Participant shall no longer be eligible to make Salary Deferral Contributions or After Tax Contributions to the Plan.

(iv) The Participant shall not be entitled to any Matching Contributions under the Plan with respect

to Compensation earned after the date of the transfer.

(d) Transfers from Affiliate. If an individual employed by an Affiliate that has not adopted this Plan transfers to employment with the Employer, the Employee's service with the Affiliate during the period of his employment with the Affiliate shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting under this Plan.

(e) Transfers Among Employers. If an individual employed by an Employer transfers his employment to a different Employer, the following rules shall apply for purposes of this Plan:

(i) Such transfer shall not be considered to result in the Participant's Termination of Employment under this Plan.

(ii) The Participant's Hours of Service and Years of Service with both Employers shall be taken into account for purposes of determining eligibility to participate in the Plan, eligibility to receive an additional Matching Contribution under Section 3.2(b), and vesting under this Plan.

(iii) The Participant shall be entitled to receive Matching Contributions in accordance with Section 3.1(a) from the Employer that employed the

Participant on the date the Salary Deferral Contributions to which such Matching Contributions relate were earned. If the Participant is entitled to receive an additional Matching Contribution under Section 3.2(b), such additional Matching Contribution shall be made by the Employer who employs the Participant on the last day of the Plan Year.

ARTICLE IV.
STATUTORY LIMITATIONS ON CONTRIBUTIONS

4.1 Maximum Dollar Amount of Salary Deferral Contributions. For any calendar year, a Participant shall not be permitted to make total Salary Deferral Contributions to this Plan which, when added to any other amounts previously contributed as elective deferrals pursuant to Section 401(k) of the Code to any other tax qualified plans maintained by the Employer or an Affiliate, would exceed the maximum statutory limit of Section 402(g) of the Code for that calendar year, as adjusted from time to time by the Adjustment Factor. For purposes of this Section, Excess Deferrals that are distributed in accordance with Section 4.2 shall be disregarded.

4.2 Distribution of Excess Deferrals.

(a) In General. Notwithstanding any other provision of the Plan, Excess Deferrals and the income or loss allocable thereto shall be distributed, where practicable, within the calendar year made, but in no event later than April 15 of the following calendar year to Participants who either file timely statements claiming such allocable Excess Deferrals, or who are deemed to have claimed such allocable Excess Deferrals, for the preceding calendar year. Any such distribution on or before the last day of the calendar year shall be made after the date on which the Plan received the Excess Deferral. Such distributions of Excess Deferrals and the income allocable thereto shall be

considered distributions of the Salary Deferral Contributions of the affected Participants and, if returned after the end of the calendar year in which they were contributed, shall be considered distributions of such contributions for the preceding calendar year. Any Excess Deferrals and income allocable thereto which are distributed pursuant to this Section 4.2 shall be distributed in the following order of priority:

(i) First, from the portion of the Salary Deferral contributions made during the calendar year in which the Excess Deferral was made that was not subject to a Matching Contribution under Section 3.2; and

(ii) second, from the portion of the Salary Deferral Contributions made during the calendar year in which the Excess Deferral was made that was subject to a Matching Contribution under Section 3.2.

(b) Definition. For purposes of this Article IV:

(i) "Excess Deferrals" shall mean the excess of the total of the Participant's Salary Deferral Contributions made under this Plan and any other tax qualified plan maintained by the Employer or an Affiliate for any calendar year over the maximum statutory limit of Section 402(g) of the Code for such calendar year. Any such Excess Deferrals shall be deemed to have been claimed by the Participant as allocable Excess Deferrals and shall be distributed in accordance with paragraph (a) of this section.

(ii) If the Participant also makes before-tax contributions for the calendar year to plans or arrangements described in Code Sections 401(k), 408(k) or 403(b) that are not maintained by the Employer or an Affiliate, then Excess Deferrals shall be the amount excess Salary Deferral Contributions for such calendar year that the Participant allocates to this Plan pursuant to the claim procedures set forth in paragraph (c) of this Section.

(c) Excess Deferrals Claims Procedure. The Participant's claim shall be in writing; shall be submitted to the Committee no later than March 1; shall specify the Participant's Excess Deferrals for the preceding calendar year; and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such Salary Deferral Contributions, when added to the before-tax contributions made under other plans or arrangements described in Code Sections 401(k), 408(k) or 403(b) that are not maintained by the Employer or any Affiliate exceed the limit imposed on the Participant by Section 402(g) of the Code for the calendar year in which the deferrals occurred. Any Excess Deferrals under this paragraph shall be distributed in accordance with paragraph (a) of this Section.

(d) Determination of Income or Loss. Distributions of Excess Deferrals shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment

shall be made for any income or loss for the period between the end of the calendar year and the date of distribution.

(e) Reduction For Excess Salary Deferral Contributions Distributed. The amount of Excess Deferrals to be distributed with respect to any Participant for the calendar year shall be reduced by the amount of Excess Salary Deferral Contributions (as defined in Section 4.4(b)) previously distributed to the Participant pursuant to Section 4.4(a) for the Plan Year beginning with or within such calendar year. In the event of a reduction pursuant to the terms of the preceding sentence, the amount of Excess Salary Deferral Contributions includible in the gross income of the Participant and reported by the Employer as a distribution of Excess Salary Deferral Contributions shall be reduced by the amount of such reduction.

(f) Forfeiture of Matching Contributions. Any Matching Contributions which are attributable to Salary Deferral Contributions required to be distributed under paragraph (a) of this Section shall be forfeited as of the date of the distribution of such Excess Salary Deferral Contributions.

4.3 Limitations on Salary Deferral Contributions. Salary Deferral Contributions of Eligible Employees who are Highly Compensated Employees for a Plan Year shall be subject to the limitations of this Section. For purposes of this Section 4.3 and Section 4.4, Eligible Employees shall be those Eligible Employees who are eligible to participate in the Plan for the applicable Plan Year.

(a) Average Actual Deferral Percentage. The Average Actual Deferral Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(i) The Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(ii) The excess of the Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the Plan Year over the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year shall not exceed 2 percentage points, and the Average Actual Deferral Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year multiplied by 2.

(iii) For the Plan Year beginning January 1, 1999, in performing the tests set forth in (i) and (ii)

of this Section 4.3(a), the Average Actual Deferral Percentage for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year shall be the Average Actual Deferral Percentage for the current Plan Year for Eligible Employees who are Nonhighly Compensated Employees for the current Plan Year.

(b) Definitions. For purposes of this Section, the following definitions shall be used:

(i) "Actual Deferral Percentage" shall mean the ratio (expressed as a percentage) of Salary Deferral Contributions made on behalf of an Eligible Employee for a Plan Year (including Excess Deferrals of Highly Compensated Employees) to the Eligible Employee's ADP Compensation for such Plan Year.

(ii) "Average Actual Deferral Percentage" shall mean, for a specified group of Eligible Employees for a Plan Year, the average (expressed as a percentage) of the Actual Deferral Percentages of the Eligible Employees in such group for a Plan Year.

(iii) "ADP Compensation" shall mean for any Plan Year, Adjusted Compensation received during the Plan Year by an Eligible Employee; provided, however, that at the election of the Committee, ADP Compensation may be limited to Adjusted Compensation received by an Eligible Employee for the portion of the Plan Year in which such Eligible Employee was eligible to participate

in the Plan. For purposes of this Section, Adjusted Compensation shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

(c) Special Rules.

(i) Except as provided below, if, in addition to this Plan, an Eligible Employee who is a Highly Compensated Employee participates in one or, more cash or deferred arrangements of the Employer or an Affiliate for a Plan Year, all of such arrangements shall be treated as one cash or deferred arrangement for purposes of determining the Actual Deferral Percentage of such Eligible Employee. However, if the cash or deferred arrangements have different plan years, this subparagraph shall be applied by treating all cash or deferred arrangements ending with or within the same calendar year as a single arrangement. Notwithstanding the foregoing, plans that are not permitted to be aggregated are not required to be aggregated for purposes of this subparagraph.

(ii) In the event that this Plan is aggregated with one or more other plans for purposes of Sections 401(a)(4) and 410(b) of the Code (other than for purposes of the average benefits percentage test),

this Section 4.3 shall then be applied by determining the Average Actual Deferral Percentage of Eligible Employees as if all of such plans were a single plan. Plans may be aggregated under this subparagraph only if they have the same plan year.

(iii) If during a Plan Year the projected aggregate amount of Salary Deferral Contributions to be allocated to all Participants who are Highly Compensated Employees under this Plan would cause the Plan to fail to satisfy the tests set forth in Section 4.3(a), the Committee may then automatically reduce or restrict Highly Compensated Employees' deferral elections made pursuant to Section 3.1 by the amount necessary to satisfy one of the tests set forth in Section 4.3(a)

(iv) The determination and treatment of the Salary Deferral Contributions and the Actual Deferral Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

4.4 Distribution of Excess Salary Deferral Contributions.

(a) In General. Notwithstanding any other provision of the Plan, Excess Salary Deferral Contributions and income or loss allocable thereto shall be distributed to those Highly Compensated Employees on whose behalf such Salary Deferral Contributions were made for a Plan Year on the basis of the amount of Salary Deferral Contributions made on behalf of each

of such Highly Compensated Employee. Such distributions shall, to the extent practicable, be made within 2-1/2 months after the close of such Plan Year (in order to avoid the 10 percent excise tax under Section 4979 of the Code) and in no event later than the last day of the Plan Year immediately following the Plan Year for which such excess Salary Deferral contributions were made. Such distributions of Excess Salary Deferral Contributions and the income or loss allocable thereto shall be considered distributions of the Salary Deferral Contributions of the affected Participants for such Plan Year. Any Excess Salary Deferral Contributions and income allocable thereto which are required to be distributed pursuant to this Section 4.4 shall be distributed in the following order of priority:

(i) First, from the portion of the Salary Deferral Contributions for the preceding Plan Year that was not subject to a Matching Contribution under Section 3.2; and

(ii) second, from the portion of the Salary Deferral Contributions for the preceding Plan Year that was subject to a Matching Contribution under Section 3.2.

(b) Excess Salary Deferral Contributions. For purposes of this Section, "Excess Salary Deferral Contributions" shall mean, with respect to any Plan Year, the excess of:

(i) The aggregate amount of Salary Deferral Contributions actually taken into account in computing

(the Actual Deferral Percentages of Highly Compensated Employees for such Plan Year, over

(ii) the maximum amount of such contributions permitted by the Average Actual Deferral Percentage test described in Section 4.3 (a) (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Deferral Percentages, beginning with the highest of such percentages).

Excess Salary Deferral Contributions shall be considered as Annual Additions for purposes of Section 4.7 even if they are distributed from the Plan.

(c) Determination of Income or Loss. Excess Salary Deferral Contributions shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment shall be made for any income or loss attributable to the period between the end of the Plan Year for which the Excess Salary Deferral Contributions are being distributed and the date of distribution.

(d) Reduction for Excess Deferrals Distributed. The amount of Excess Salary Deferral Contributions to be distributed to the Participant pursuant to this Section shall be reduced by the amount of the Excess Deferrals previously distributed to the Participant pursuant to Section 4.2 above for the Participant's taxable year ending with or within the Plan Year.

(e) Forfeiture of Matching Contribution. Any Matching

Contributions which are attributable to Excess Salary Deferral Contributions required to be distributed under paragraph (a) of this Section shall be forfeited as of the date of the distribution of such Excess Salary Deferral Contributions.

4.5 Limitations on Qualified Contributions. Qualified Contributions (as defined in paragraph (b) (iv)) of Eligible Employees who are Highly Compensated Employees for a Plan Year shall be subject to the limitations of this Section. For purposes of this Section 4.5, Eligible Employees shall be those Employees who are eligible to participate in the Plan for the applicable Plan Year.

(a) Average Actual Contribution Percentage. The Average Actual Contribution Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(i) The Average Actual Contribution Percentage for a Plan Year for Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for the prior Plan Year for Employees who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(ii) The excess of the Average Actual Contribution Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees for the Plan Year over the Average Actual Contribution Percentage

for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year shall not exceed 2 percentage points, and the Average Actual Contribution Percentage for Eligible Employees who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for the prior Plan Year for Eligible Employees who were Nonhighly Compensated Employees for such prior Plan Year multiplied by 2.

(iii) For the Plan Year beginning January 1, 1999, in performing the tests set forth in (i) and (ii) of this Section 4.5(a), the Average Actual Contribution Percentage for Eligible Employees who were Nonhighly Compensated Employees for the prior Plan Year shall be the Average Actual Contribution Percentage for the current Plan Year for Eligible Employees who are Nonhighly Compensated Employees for the current Plan Year.

(b) Definitions. For purposes of this Section, the following definitions shall be used:

(i) "Actual Contribution Percentage" shall mean the ratio (expressed as a percentage) of Qualified Contributions made on behalf of an Eligible Employee for a Plan Year to the Eligible Employee's ACP Compensation for such Plan Year.

(ii) "Average Actual Contribution Percentage" shall mean, for a specified group of Eligible Employees

for a Plan Year, the average (expressed as a percentage) of the Actual Contribution Percentages of the Eligible Employees in such group for a Plan Year.

(iii) "ACP Compensation" shall mean for any Plan Year, Adjusted Compensation received during the Plan Year by an Eligible Employee for personal services actually rendered in the course of employment with the Employer during such Plan Year; provided, however, that at the election of the Committee, ACP Compensation may be limited to Adjusted Compensation received by an Eligible Employee for the portion of the Plan Year in which such Eligible Employee was eligible to participate in the Plan. For purposes of this Section, Adjusted Compensation shall include Salary Deferral Contributions, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

(iv) "Qualified Contribution" shall mean for any Plan Year, the sum of (A) Matching Contributions made for the Plan Year and (B) After Tax Contributions made during such Plan Year.

(c) Special Rules.

(i) Except as provided below, if, in addition to this Plan, an Eligible Employee who is a Highly Compensated Employee participates in one or more

cash or deferred arrangements of the Employer or an Affiliate for a Plan Year, all of such arrangements shall be treated as one cash or deferred arrangement for purposes of determining the Actual Contribution Percentage of such Eligible Employee. However, if the cash or deferred arrangements have different plan years, this subparagraph shall be applied by treating all cash or deferred arrangements ending with or within the same calendar year as a single arrangement. Notwithstanding the foregoing, plans that are not permitted to be aggregated are not required to be aggregated for purposes of this subparagraph.

(ii) In the event that this Plan is aggregated with one or more other plans for purposes of Sections 401(a)(4) and 410(b) of the Code (other than for purposes of the average benefits percentage test), this Section 4.5 shall then be applied by determining the Average Actual Contribution Percentage of Eligible Employees as if all of such plans were a single plan. Plans may be aggregated under this subparagraph only if they have the same plan year.

(iii) In determining the Actual Contribution Percentage of Highly Compensated Employees and/or Nonhighly Compensated Employees, the Committee may elect to treat Salary Deferral Contributions as Qualified Contributions, provided that (A) the Plan

satisfies the Average Actual Deferral Percentage limitation set forth in Section 4.3(a) prior to the exclusion of any Salary Deferral Contributions which are treated as Qualified Contributions and (B) the Plan continues to satisfy the Actual Deferral Percentage limitation after the exclusion of such Salary Deferral Contributions.

(iv) If during a Plan Year the projected aggregate amount of Qualified Contributions to be allocated to all Participants who are Highly Compensated Employees under this Plan would cause the Plan to fail to satisfy the tests set forth in Section 4.5(a), the Committee may then automatically reduce or restrict the After Tax Contributions being made pursuant to Section 3.3 by an amount necessary to satisfy one of the tests set forth in Section 4.5(a).

(v) The determination and treatment of the Qualified Contributions and the Actual Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

(d) Multiple Use Limitation.

(i) Notwithstanding any other provision contained in this Section 4.5, if the Average Actual Deferral Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees satisfies

the alternative set forth in subparagraph (ii) of Section 4.3(a) but does not satisfy subparagraph (i) of Section 4.3(a), and the Average Actual Contribution Percentage for a Plan Year for Eligible Employees who are Highly Compensated Employees satisfies the alternative set forth in subparagraph (ii) of Section 4.5(a) but does not satisfy subparagraph (i) of Section 4.5(a), a special limitation shall apply. Under this limitation, the sum of the Average Actual Deferral Percentages for a Plan Year for the Eligible Employees who are Highly Compensated Employees plus the Average Actual Contribution Percentages for such Plan Year for such Eligible Employees may not exceed the greater of:

(A) the sum of the maximum Average Actual Deferral Percentage permissible for Eligible Employees who are Highly Compensated Employees under subparagraph (i) of Section 4.3(a) plus the maximum Average Actual Contribution Percentage for such Eligible Employees under subparagraph (ii) of Section 4.5(a); or

(B) the sum of the maximum Average Actual Deferral Percentage permissible for Eligible Employees who are Highly Compensated Employees under subparagraph (ii) of Section 4.3(a) plus the maximum Average Actual Contribution Percentage permissible for such Eligible

Employees under subparagraph (i) of Section 4.5(a).

(ii) In determining whether the Plan satisfies the multiple use limitation set forth in this paragraph (d), the Committee may elect to apply the rules set forth in subparagraph (iv) of Section 4.5(c).

(iii) If the multiple use limitation set forth in this paragraph (d) is not satisfied, either Salary Deferral Contributions shall be distributed in accordance with the provisions of Section 4.4, or Qualified Contributions shall be distributed or forfeited in accordance with the provisions of Section 4.6, to the extent necessary to satisfy such limitation.

4.6 Distribution or Forfeiture of Excess Qualified Contributions.

(a) In General. Notwithstanding any other provision of the Plan, Excess Qualified Contributions and income or loss allocable thereto shall either be forfeited, if forfeitable under the provisions of Section 7.3, or distributed to those Highly Compensated Employees on whose behalf such Qualified Contributions were made for a Plan Year on the basis of the amount of Qualified contributions made on behalf of each of such Highly Compensated Employees. Such distributions shall, to the extent practicable, be made within 2-1/2 months after the close of such Plan Year (in order to avoid the 10 percent excise tax under Section 4979 of the Code) and in no event later than the last day

of the Plan Year immediately following the Plan Year for which such excess Qualified Contributions were made. Such distributions of Excess Qualified Contributions and the income or loss allocable thereto shall be considered distributions of the Qualified Contributions of the affected Participants for such Plan Year. Any Excess Qualified contributions and income allocable thereto which are required to be distributed pursuant to this Section 4.6 shall be distributed in the following order of priority:

(i) First, from the After Tax Contributions contributed by the Participant to the Plan during the preceding Plan Year that were not subject to Matching Contributions under Section 3.2;

(ii) second, from the After Tax Contributions contributed by the Participant to the Plan during the preceding Plan Year that were subject to Matching Contributions under Section 3.2 (the Matching Contributions which are attributable to such After Tax Contributions shall be forfeited regardless of whether such Matching Contributions are forfeitable under the provisions of Section 7.3); and

(iii) third, from the Matching Contributions made on behalf of the Participant for the preceding Plan Year.

(b) Excess Qualified Contributions. For purposes of this section, “Excess Qualified Contributions” shall mean, with respect to any Plan Year, the excess of:

(i) The aggregate amount of Qualified Contributions actually made on behalf of Highly Compensated Employees for such Plan Year, over

(ii) the maximum amount of Qualified Contributions permitted by the Average Actual Contribution Percentage test described in Section 4.5 (a) (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Contribution Percentages, beginning with the highest of such percentages). Excess Qualified Contributions shall be considered as Annual Additions for purposes of Section 4.7 even if they are distributed from the Plan.

(c) Determination of Income or Loss. Excess Qualified Contributions shall be adjusted for income or loss by a reasonable method in accordance with regulations prescribed by the Secretary of the Treasury; provided, however, that no adjustment shall be made for any income or loss attributable to the period between the end of the calendar year and the date of distribution.

(d) For purposes of this Section “Qualified Contributions” shall mean for any Plan Year the sum of (A) Matching Contributions made for the Plan Year and (B) After Tax Contributions made during such Plan Year.

4.7 Limitation on Contributions.

(a) The Annual Additions credited to a Participant under this Plan for any Limitation Year shall not exceed the

lesser of 25 percent of the Participant’s Adjusted Compensation or (ii) $30,000 (as adjusted by the Adjustment Factor).

(b) Notwithstanding the foregoing, the compensation limitation referred to in subsection (a) (i) shall not apply to:

(i) Any amount otherwise treated as an Annual Addition under Section 415(1)(1) of the Code, or

(ii) Any contribution for medical benefits otherwise treated as an Annual Addition under Section 419A(d)(2) .

(c) In applying the limitations of paragraph (a):

(i) All "defined contribution plans" of the Employer or its Affiliates shall be aggregated with this Plan.

(ii) If "annual additions" (within the meaning of Section 415(c)(2) of the Code) are credited to a Participant's accounts under any other qualified defined contribution plan maintained by the Employer or any Affiliate that is required to be aggregated under subparagraph (i), the maximum amount of Annual Additions that may be credited to such Participant under this Plan shall be limited to the excess of the limitations described in paragraph (a) over the amount of the annual additions credited to the Participant under such other qualified defined contribution plans.

(d) For purposes of this Section: (i) "defined contribution plan" shall mean a plan which provides for an individual

account for each Participant and for benefits based solely on the amount contributed to the accounts of the Participant, and any income, expenses, gains and losses which may be credited to such Participant's accounts; (ii) the definition of "Affiliate" shall be modified by Section 415(h) of the Code; and (iii) "Adjusted Compensation" shall include Salary Deferral Contributions any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program.

(e) Subject to paragraph (f), in no event shall Annual Additions be made under this Plan for any Participant in a Limitation Year to the extent that there is an amount credited to such Participant's accounts in excess of the maximum amount permitted under this Section.

(f) If the amount of Annual Additions which are credited to a Participant under this Plan for any Limitation Year exceeds the maximum amount permitted under this Section ("Excess Annual Additions"), and if such excess was caused by the allocation of forfeitures, by a reasonable error in estimating the Participant's Adjusted Compensation, by a reasonable error in determining the amount of Salary Deferral Contributions that may be made with respect to the Participant under the limitations of this Section, or by other limited facts and circumstances, the Excess Annual Additions may be reduced for such Limitation Year in the following manner:

(i) After Tax Contributions (and any income attributable thereto) made by the Participant shall be distributed to the Participant to the extent such distributions reduce the Excess Annual Additions. Any After Tax Contributions that are so distributed shall not be considered as an Annual Addition for the Limitation Year and shall be disregarded for purposes of Section 4.5.

(ii) If there remains any Excess Annual Additions after the application of subparagraph (i) of this paragraph, Salary Deferral Contributions (and any income attributable thereto) shall be distributed to the extent that such distributions reduce the Excess Annual Additions. Any Salary Deferral Contributions that are so distributed shall not be considered as an Annual Addition for the Limitation Year and shall be disregarded for purposes of Sections 4.1, 4.3 and 4.5.

(iii) If there remains any Excess Annual Additions after the application of subparagraphs (i) and (ii) of this paragraph, such Excess Annual Additions shall be used to reduce Matching Contributions for the next Limitation Year (and succeeding limitation Years, as necessary) for the Participant. However, if the Participant is not participating in the Plan for the applicable Limitation Year, the Excess Annual Additions shall be held in a suspense account for that

Limitation Year and credited to the next Limitation Year to all remaining Participants in the same proportion as the Compensation paid to such Participants during such Limitation Year. Furthermore, the Excess Annual Additions shall be used to reduce Matching Contributions for the next Limitation Year (and succeeding Limitation Years, as necessary) for all of such Participants. Any Excess Annual Additions that are treated in accordance with this subparagraph (iii) for the Limitation Year shall not be considered as Annual Additions for such Limitation Year.

(iv) If a suspense account is in existence at any time during the Limitation Year, investment gains and losses and other income and expenses shall not be allocated to the suspense account.

(v) If this Plan is terminated and at the time of such termination a balance remains in the suspense account which, because of the limitations imposed by this Section, cannot be credited to any Participant, such balance shall revert to the Employer.

4.8 Limitation on Compensation. For purposes of this Plan, Compensation, ADP Compensation and ACP Compensation (collectively "Contribution Compensation") of a Participant for a Plan Year in excess of $160,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account.

ARTICLE V.
INVESTMENT OF TRUST ASSETS

5.1 Investment Funds.

Each Participant's Accounts under the Plan, shall be invested in the Investment Funds in the proportions and amounts as determined by the Participant pursuant to Section 5.2.

5.2 Investment options of Participants.

(a) Each Participant shall elect to invest his Account Balance under the Plan in the Investment Funds maintained by the Trustee under Section 12.2 in such proportions as the Participant shall indicate. All investment directions, including requests for changes or transfers, shall be subject to such rules and regulations as the Committee shall determine in a uniform and nondiscriminatory manner.

(b) The Trustee shall take such steps as are necessary to make the investments in accordance with the designations, changes in designations, or transfer request made by Participants.

(c) The selection of any Investment Fund is the sole and exclusive responsibility of each Participant and it is intended that the selection of an Investment Fund by each Participant be within the parameters of Section 404(c) of ERISA and the regulations thereunder. None of the Employer, nor the Trustee, nor any Committee member, nor any of the directors, officers, agents or Employees of the Employer are empowered to or

shall be permitted to advise a Participant as to the manner in which his Account Balance shall be invested or changed. No liability whatsoever shall be imposed upon the Employer, the Trustee, any Committee member, or any director, officer, agent or Employee of the Employer for any loss resulting to a Participant's account because of any sale or investment directed by a Participant under this Section or because of the Participant's failure to take any action regarding an investment acquired pursuant to such elective investment.

ARTICLE VI.
ARTICLE VI VALUATION OF TRUST ASSETS

6.1 Time and Manner of Valuation. As of each Valuation Date, the Trustee shall value all of the assets in each Investment Fund maintained under Section 12.2 for the purpose of determining the amount, if any, of the net increase or net decrease in the fair market value of each such Fund. The fair market value of each Investment Fund shall represent the fair market value of all securities or other property held thereunder, plus cash and accrued earnings, less accrued expenses and proper charges against each Fund as of the Valuation Date. The Trustee's determination shall be final and conclusive for all purposes of this Plan.

6.2 Allocation of Net Increase and Net Decrease to Accounts of Participants. The Trustee shall then allocate as of such Valuation Date a part of each such net increase or net decrease to the Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account and Rollover Contribution Account of each Participant in the ratio that the balance in each such Account bears to all such Account balances.

ARTICLE VII.
DISTRIBUTION OF ACCOUNT BALANCES

7.1 Payments on Account of Retirement or Disability.

(a) A Participant who ceases to be an Employee due to his Retirement or Disability shall be entitled to receive a distribution under the Plan of his entire Account Balance in the form of a lump sum cash payment; provided, however, that such Participant may elect to receive his distribution in installments in accordance with the applicable provisions of Section 7.4 and/or Section 7.5 (depending on when such election is made).

(b) (i) Except as otherwise provided in subparagraph (ii) of this paragraph (and subject to the provisions of Section 7.6, if applicable), any distribution under this Section on account of Retirement shall be made as soon as practicable after the Participant's Retirement, but in no event later than 60 days after the close of the Plan Year in which his Retirement occurred.

(ii) A Participant who ceases to be an Employee due to his Retirement shall be entitled to defer receipt of any distribution to be made under this paragraph until he elects to receive such distribution; provided, however, that such distribution must be made not later than April 1 of the calendar year following the calendar year in which such Participant attains the age of 70-1/2. Any distribution under this subparagraph shall be made (or commence to be made) as soon as

practicable following the Participant's election to receive the distribution, but in no event later than the April 1 of the calendar year following the calendar year in which such Participant attains the age of 70-1/2.

(c) Any distributions under this Section. 7.1 on account of Disability shall be made or commence in accordance with the provisions of paragraph (b) of this Section.

(d) Whether or not a Participant retires upon attaining his Normal Retirement Date, the Participant's interest in his Matching Contribution Account shall be fully vested as of such date.

7.2 Payment upon Death of Participant.

(a) If a Participant ceases to be an Employee on account of his death, or if a Participant dies after his Retirement or Disability, but before receiving or commencing to receive his Account Balance hereunder, the Participant's Beneficiary shall receive a distribution of the Participant's entire Account Balance in the form of a lump sum cash payment; provided, however, such Participant's Beneficiary may elect to have the Participant's Account Balance payable in installments in accordance with the applicable provisions of Section 7.4 and/or Section 7.5 (depending on when such election is made). Any distribution under this Section shall commence as soon as practicable after the Participant's death.

(b) If a Participant who ceased to be an Employee on account of his Retirement or Disability dies after commencing to receive a distribution of his. Account Balance in the form of installment payments but prior to the completion of the distribution of the entire Account Balance, the Participant's Beneficiary shall continue such selected mode of payment, and the method of distribution shall be at least as rapid as in effect on the date of the Participant's death; provided, however, that the Participant's Beneficiary may elect to receive a single lump sum cash payment of the remaining unpaid installments.

7.3 Payments on Account of Termination of Employment.

(a) (i) A Participant Employee on account of his Termination of Employment shall be entitled to receive 100% of the balance in his Salary Deferral Contribution Account, Rollover Contribution Account and After Tax Contribution Account, plus the Vested Percentage of the balance in his Matching Contribution Amount. (For purposes of this Article VII, the balance in a Participant's Salary Deferral Contribution Account, Rollover Contribution Account and Tax Contribution Account, and the Vested Percentage of the balance in such Participant's Matching Contribution Account shall be referred to as the "Vested Account Balance".)

(ii) The Vested Percentage of the balance in a Participant's Matching Contribution Account shall be

based upon such Participant's Years of Service as of the date of his Termination of Employment in accordance with the following vesting schedule:

Years of Service	Vested Percentage
Less than 2 years	0%
2 but less than 3	25%
3 but less than 4	50%
4 but less than 5	75%
5 or more	100%

(iii) In determining a Participant's Vested Percentage in his Matching Contribution Account under the Plan, Years of Service shall be computed without regard to any Years of Service after five consecutive One-Year Breaks in service; i.e., Years of service completed after five (5) consecutive One-Year Breaks in Service shall not be taken into account for purposes determining a Participant's Vested Percentage in his Matching Contribution Account derived from Matching Contributions which were made before such five-year period.

(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section does not exceed $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump

sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment, provided that the Participant elects to receive such immediate distribution of his Vested Account Balance by filing an election with the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $5,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment, such Participant (hereinafter referred to as a "Terminated Vested Participant") shall receive a distribution of his Vested Account Balance in accordance with paragraph (c) of this Section.

(c) The payment of a Terminated Vested Participant's Vested Account Balance under this paragraph (c) shall be made in a lump sum cash payment no later than 60 days after the end of the Plan Year in which such Participant reaches age 70-1/2; provided, however, that the Participant may elect to receive an earlier payment of such Account Balance. If the Participant

makes such an election, payment shall be made in a lump sum cash payment no later than 60 days after the end of the Plan Year in which the election is made.

(d) Notwithstanding anything contained in the foregoing provisions of this Section 7.3 to the contrary, any Participant who: (i) ceases to be an Employee on account of his Termination of Employment, (ii) has an Account Balance that reflects the transfer of assets to the Plan from the Old Grand Casinos Plan pursuant to Article XV, and (iii) has a Vested Account Balance that exceeds $5,000, may elect in lieu of a lump sum cash payment, to receive his Vested Account Balance pursuant to paragraphs (b)(ii) or (c) of this Section in the form of either:

(i) substantially equal monthly, quarterly or annual installments over a period of years not to exceed the life expectancy of the Participant, or if such Participant elects, the Participant and his spouse; or

(ii) a combination of a lump sum cash payment and such installment payments;

provided, however, that effective March 5, 2001, in accordance with Treas. Reg. §1.411(d)-4, Q&A-2(e), the provisions of this paragraph (d) shall no longer apply and any such Participant shall be entitled to receive a distribution of his Vested Account Balance only in a lump sum cash payment; provided further, however, that a Participant described in this paragraph (d) who is entitled to receive a distribution under the Plan prior to

June 5, 2001 may receive (or commence to receive) a distribution of his Vested Account Balance in accordance with paragraph (d)(i) or (d)(ii) of this Section 7.3 if such Participant requests such distribution prior to June 5, 2001.

(e) In the case of a Participant who receives a distribution pursuant to either paragraph (b)(i) or (b)(ii) (or, if applicable, paragraph (d)) of this Section 7.3 in connection with his Termination of Employment, the balance of such Participant's interest in his Matching Contribution Account in excess of his vested interest in such account shall be forfeited as of the date that the distribution occurs. In the case of a Terminated Vested Participant, the balance of such Participant's interest in his Matching Contribution Account in excess of his vested interest in such account shall be forfeited as of the earlier of (i) the last day of the Plan Year in which such Participant incurs five (5) consecutive One-Year Breaks in service or (ii) the date the Participant receives payment of his Vested Account Balance pursuant to paragraph (c) of this Section. Except as otherwise provided under paragraph (f), the amount of any forfeitures described in this paragraph for the Plan Year, as well as any forfeitures under Sections 4.2(f), 4.4(e), 4.6(a) and 7.10 for the Plan Year, shall be applied as a credit towards any Matching Contributions to be made under Section 3.2 by the Company or Employer that made such contribution on behalf of the Participant.

(f) If a Participant who has forfeited any amounts in accordance with the provisions of this section pursuant to his Termination of Employment shall return to the employ of the Employer prior to completing five (5) consecutive One-Year Breaks in Service, the amount so forfeited shall be restored to the Participant only if such Participant repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer. In the event of such repayment, a Matching Contribution Account shall be reestablished on behalf of such Participant and the amount forfeited shall be added to the balance of such Matching Contribution Account as of the time of his repayment of the forfeiture. Any forfeiture to be applied as a credit under paragraph (e) of this Section towards any Matching Contributions to be made by the Employer under Section 3.2 may, in the sole discretion of the Committee, be used for the purpose of restoring, as required under this paragraph, the amounts forfeited in accordance with the provisions of this Section. To the extent such forfeitures are insufficient, the Employer shall make a special contribution to restore the forfeiture.

7.4 Special Rules for Certain Distributions — Effective Prior to March 5, 2001.

(a) Prior to March 5, 2001 and only as provided in Sections 7.1 and 7.2, a Participant (or Beneficiary) may elect, in lieu of a lump sum cash payment, to receive his distribution in the form of either:

(i) substantially equal monthly, quarterly or annual installments over a period of years not to exceed the life expectancy of the Participant, or if such Participant elects, the Participant and his spouse; or

(ii) a combination of a lump sum cash payment and such installment payments.

(b) Effective March 5, 2001, in accordance with Treas. Reg. §1.411(d)-4, Q&A-2(e), the provisions of paragraph (a) shall no longer apply; provided, however, that a Participant (or Beneficiary) who is entitled to receive a distribution under the Plan prior to June 5, 2001 in accordance with the provisions of paragraph (a) (without regard to the first clause of this paragraph (b)), may receive (or commence to receive) a distribution of his Vested Account Balance in accordance with the provisions of paragraph (a) if such Participant requests such distribution prior to June 5, 2001.

7.5 Special Rules for Certain Distributions — Effective March 5, 2001. Effective March 5, 2001, and only as provided in Sections 7.1 and 7.2, a Participant (or Beneficiary) may elect, in accordance with the provisions of Section 7.1 and 7.2, in lieu of a lump sum cash payment, to receive his distribution in the form of substantially equal monthly installments not to exceed 120. A Participant who elects to receive his distribution in the form of installments (or such Participant's Beneficiary if such Participant dies prior to the time the installment payments have

been fully paid) may at any time elect to receive a single lump sum payment of the remaining unpaid installments at any time.

7.6 Special Distribution Rules.

(a) (i) Notwithstanding anything to the contrary in this Article, as required by Section 401(a)(9) of the Code and the Treasury Regulations thereunder, with respect to any Participant who is a "five percent owner" (as defined in Code Section 416), the distribution of such Participant's Account Balance shall be made (or commence) in accordance with subparagraph (ii) of this paragraph no later than April 1 of the year following the calendar year in which the Participant reaches age 70-1/2, regardless of whether such Participant is still actively employed as of such date. If the Participant continues to participate in the Plan, any additional amounts credited to the Participant's Account Balance shall be distributed each year in accordance with subparagraph (ii) of this paragraph so as to satisfy the requirements of Section 401(a)(9) of the Code and the Treasury Regulations thereunder.

(ii) At the election of the Participant, the Participant's Account Balance shall either be distributed in its entirety to the Participant in accordance with Code Section 401(a)(9)(A)(i) and the Treasury Regulations thereunder, or distributed to the Participant,

as required by section Code and the Treasury Regulations respect to any Participant over a period not extending beyond the life expectancy of the Participant or the life expectancy of such Participant and a designated beneficiary in accordance with Code Section 401(a)(9)(A)(ii) and the Treasury Regulations thereunder.

(b) Any Participant who: (i) is an Employee of the Employer, (ii) has an Account Balance under the Plan that reflects assets transferred to the Plan from the Old Grand Casinos Plan pursuant to Article XV, the Caesars Plan pursuant to Article XVI, or the BEST Plan pursuant to Article XVII, (iii) reached age 70-1/2 prior to 1997 and (iv) began receipt of his account balance under such plan prior to his termination of employment, may elect to stop such distributions and recommence distribution of his Account Balance under this Plan in accordance with the provisions of this Article VII when such Participant ceases employment due to his Retirement, Disability or death.

(c) Notwithstanding any provision to the contrary and except as provided in paragraph (a) of this Section, the payment of benefits under this Plan to a Participant or his Beneficiary shall in all events commence within 60 days after the close of the Plan Year in which the latest of the following events occurs:

(i) the attainment by the Participant of age 65;

(ii) the tenth anniversary of the year in which the Participant first became a Participant in the Plan; or

(iii) except as otherwise provided in Section 7.1(b), the Participant's Retirement or Termination of Employment with the Employer.

(d) Notwithstanding any provision to the contrary in distribution of his Account Balance upon the termination of the Plan, provided that the Employer or Affiliate does not establish or maintain a successor plan (as defined in Treas. Reg. § 1.401(k)-1(d)(3)). Any distributions made pursuant to this paragraph (c) shall be made in accordance with Section 13.2.

(e) Notwithstanding any provision to the contrary in this Article, a Participant shall be entitled to receive a distribution of his Vested Account Balance upon the occurrence of either:

(i) The disposition by the Company to an unrelated corporation of substantially all of the assets (within the meaning of Section 409(d)(2) of the Code) used in a trade or business of the Company if the Company continues to maintain this Plan after the disposition, but only with respect to Employees who continue employment with the corporation acquiring such assets; or

(ii) the disposition by the company to an unrelated entity of the Company's interest in a subsidiary (within the meaning of Section 409(d)(3) of the Code) if the Company continues to maintain this Plan,

but only with respect to Employees who continue employment with such subsidiary.

The occurrence of any event described in this paragraph (e) shall be treated as a Termination of Employment and any distribution made as a result of the occurrence of such event shall be made in accordance with the provisions of Section 7.3.

7.7 Withdrawals After Attainment of Age 59-1/2.

(a) Not more frequently than once in any six-month period, a Participant may apply in writing to the Committee for a withdrawal of all or a portion of his Vested Account Balance at any time after attaining age 59-1/2.

(b) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(c) The minimum withdrawal by a Participant under this Section 7.7 shall be $500 or, if less, the Participant's Vested Account Balance.

(d) The withdrawal of all or a portion of the Participant's Vested Account Balance shall be paid to the Participant as soon as practicable after the Participant's request is submitted to and approved by the Committee.

7.8 Hardship Distributions. A Participant shall be entitled to receive a hardship distribution of the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding

loan and any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan), if the distribution is necessary to defray an immediate and severe financial hardship incurred by the Participant.

(a) Immediate and Heavy Financial Need. For purposes hereof, an immediate and heavy financial need shall be limited to a need for funds for any of the following purposes:

(i) Unreimbursed medical expenses described in Section 213(d) of the Code incurred by the Participant, the Participant's spouse, or any dependents of the Participant (as defined in section 152 of the Code);

(ii) Purchase (excluding mortgage payments) of a principal residence for the Participant;

(iii) Payment of tuition and related educational fees (including room and board) for the next 12 months of post-secondary education for the Participant or his spouse, children, or dependents;

(iv) Prevention of the eviction of the Participant from his principal residence or foreclosure on the mortgage on his principal residence; and

(v) Any other reason recognized by the Commissioner of Internal Revenue Service in a revenue ruling, notice or other document of general applicability to constitute an immediate and heavy financial need.

A Participant requesting a hardship withdrawal must represent that he has an emergency need for funds for one of the reasons specified above. The Participant shall provide the Committee with any information and evidence which the Committee considers necessary in order to determine whether such a hardship exists and the amount of the withdrawal from the Plan that is necessary to meed the hardship.

(b) Distribution Necessary to Satisfy the Financial Need. A hardship withdrawal shall be considered to be necessary to meet such an immediate and heavy financial need only under the following circumstances:

(i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (that cannot be satisfied by distributions and/or non-taxable loans of the types described in subparagraph (ii) below). This distribution may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

(ii) The Participant has obtained (or requested) all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by the Employer or any Affiliate.

In the event of any hardship distribution to a Participant hereunder, such Participant may not make Salary Deferral

Contributions (or comparable contributions) to the Plan or to any other deferred compensation plans maintained by the Employer or any Affiliate during the 12 calendar months immediately following the date of such hardship withdrawal. The Participant also may not make Salary Deferral Contributions (or comparable contributions) to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate, for the calendar year immediately following the calendar year of the hardship withdrawal, in excess of the applicable limit under Section 402(g) of the Code for such next calendar year less the amount of such Participant's Salary Deferral Contributions (or comparable contributions) made on his behalf to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate for the calendar year of the hardship distribution.

The foregoing provisions shall be applied on a uniform and nondiscriminatory basis and shall be subject to such changes as the Committee may deem to be necessary at any time to comply with Treasury Regulations or other rules issued under Section 401(k) of the Code.

(c) Additional Operating Rules. The following rules shall apply to each request for a hardship distribution by a Participant:

(i) The Participant's request for a hardship distribution shall be made on such forms as are provided from time to time by the Committee and the Participant shall furnish the Committee with such

information as the Committee requests in its evaluation of the Participant's request.

(ii) The amount of any hardship distribution shall in no event exceed the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan and any post-December 31, 1988 income attributable to elective deferrals, made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan).

(iii) A hardship distribution to a Participant shall not be allowed within 12 months of an earlier hardship distribution to such Participant.

(iv) The minimum hardship withdrawal under this Section shall be $500 or, if less, the portion of the Participant's Vested Account Balance from which the Participant is eligible to receive a hardship distribution under this Section.

7.9 Rollovers to Other Plans or IRAs.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's election under the Plan, the Participant may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by Participant in a Direct Rollover.

(b) Definitions:

For purposes of this Section 7.9, the following definitions shall apply:

(i) "Eligible Rollover Distribution" shall mean any distribution of all or any portion of the Participant's Vested Account Balance, except that an Eligible Rollover Distribution does not include:

(A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more;

(B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(C) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and

(D) effective January 1, 2000, any distribution of Salary Deferral Contributions made pursuant to Section 7.8 on account of hardship.

(ii) "Eligible Retirement Plan" shall mean an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Participant's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a surviving spouse, an Eligible Retirement Plan shall mean only an individual retirement account or individual retirement annuity.

(iii) "Participant" shall mean a Participant within the meaning of Section 1.33 who is entitled to receive a distribution under the Plan. In addition, the Participant's surviving spouse and the Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code, shall be considered as Participants with regard to the interest of the spouse or former spouse.

(iv) "Direct Rollover" shall mean a payment by the Plan to the Eligible Retirement Plan specified by the Participant.

7.10 Lost Participant. If payment of a Participant's Account Balance is unable to be made under this Article VII because the Committee is unable to find the Participant or

Beneficiary to whom payment is to be made, such Participant's Account Balance shall be forfeited as of the last Valuation Date of the Plan Year in which the Committee determines that it is unable to find the Participant or Beneficiary. If the Participant or Beneficiary later makes a claim for such payment and the Committee determines that the claim is valid, the amount previously forfeited shall be restored and payment shall be made as soon as practicable following such determination.

7.11 Withdrawals of Rollover Contributions.

(a) A Participant may apply in writing to the Committee for a withdrawal of all or a portion of his Rollover Contribution Account.

(b) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(c) There shall be no minimum on the amounts that may be withdrawn under this Section.

(d) Any withdrawal made under this Section shall be paid to the Participant as soon as practicable after the Participant's written request is submitted to and approved by the Committee.

7.12 Withdrawals of After Tax Contributions.

(a) A Participant may apply in writing to the Committee for a withdrawal of all or a portion of his After Tax Contribution Account.

(b) Such withdrawal must first be made from a Participant's pre-1987 After Tax contributions, if any, but exclusive of earnings thereon. Upon exhaustion of the Participant's pre-1987 After Tax Contributions, any further withdrawal must then be made from the Participant's post-1986 After Tax Contributions and earnings allocable to his aggregate After Tax Contributions under the Plan.

(c) In the event of a withdrawal under this Section, the Participant may continue his participation in the Plan without interruption and shall not, because of such withdrawal, be penalized under the Plan in any way.

(d) There shall be no minimum on the amounts that may be withdrawn under this Section.

(e) The withdrawal of all or a portion of the Participant's After Tax Contributions shall be paid to the Participant as soon as practicable after the Participant's request is submitted to and approved by the Committee.

ARTICLE VIII.

DESIGNATION OF BENEFICIARY

8.1 Right to Designate Beneficiary. Subject to the provisions of Section 8.3, each Participant may designate in a writing filed with the Committee, a Beneficiary to whom, in the event of the Participant's death, all benefits shall be payable. The Beneficiary so designated may be changed by the Participant (subject to the provisions of Section 8.3) at any time or from time to time during his life by signing and filing a new beneficiary designation form. The records of the Committee at the time of death shall be conclusive as to the identity of the proper Beneficiary and the amount properly payable, and payment made in accordance with such facts shall constitute a complete discharge of any and all obligations hereunder.

8.2 Applicable Rules if No Beneficiary Designation is Made. If no Beneficiary designation is on file with the Committee at the time of death of the Participant, or if such designation is not effective for any reason, then such death benefit shall be payable to the deceased Participant's spouse, if living. If such spouse does not survive him, payment shall be made to the Participant's issue per stirpes, or if no issue survive him, to his estate.

8.3 Payment of Account Balance to Spouse upon Death of Participant. If the Beneficiary designated by the Participant to receive the benefits payable hereunder in the event of his death is not his spouse, then, notwithstanding the applicable provisions

of sections 7.1, 7.2, 7.3 and Section 8.1, such benefits shall be payable to the Participant's surviving spouse unless (a) there is no surviving spouse; (b) the spouse consents, in the manner required under Section 417(a)(2)(A) of the Code, to the payment of such benefits to the designated Beneficiary; or (c) it is established to the satisfaction of the Committee that the spousal consent may not be obtained because of the conditions specified in section 417(a)(2)(B) of the Code or in regulations promulgated under such Section of the Code.

ARTICLE IX.

LOANS

9.1 Availability of Loans.

(a) Upon the application of any Participant actively employed by the Employer, the Committee may direct the Trustee to make a loan to such Participant.

(b) The terms and conditions on which the Committee will approve loans under the Plan will be applied on a reasonably equivalent basis and loans shall not be available to any Highly Compensated Employee in an amount equal to a percentage of his Account Balance which is greater than the percentage made available to other Participants.

(c) The minimum loan shall be $500 and, except as otherwise provided in this paragraph (c), only one loan may be may be outstanding at any time. Effective June 1, 2000, this requirement that only one loan may be outstanding at any time shall not apply to the extent that a loan (or loans) is (are) used to pay unreimbursed educational expenses incurred by the Participant, his spouse, children or dependents ("education loan"). For purposes of this paragraph, any amounts in an account attributable to an outstanding loan (or loans) made to a Participant that is (are) not an education loan (or education loans) that are transferred from any Affiliate Plan pursuant to Section 14.2, from the old Grand Casinos Plan pursuant to Article XV, from the Caesars Plan pursuant to Article XVI or from the BEST Plan

pursuant to Article XVII shall be considered as one outstanding loan.

9.2 Limitations on Loans.

(a) In no event shall the total amount of a loan made to any Participant pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Participant) exceed the lesser of:

(i) 50 percent of the Participant's Vested Account Balance (as defined in Section 7.3(a)) or

(ii) $50,000.

(b) The $50,000 limitation set forth in paragraph (a) will be reduced by the excess, if any, of the highest outstanding loan balance from the Plan during the one year period ending on the day before the date on which the loan was made over the outstanding loan balance from the Plan on the date that such loan was made.

9.3 Interest Rate. Each loan shall bear a reasonable rate of interest, which rate shall be the prime rate (as determined by the Committee) as of the last day of the quarter preceding the quarter in which the loan is made, plus one percent. Furthermore, the Participant's Account Balance may be charged a set-up fee and/or maintenance fee (as determined by the Committee).

9.4 Security for Loan. Any loan made pursuant to this Section shall be secured by the Participant's Vested Account Balance.

9.5 Term of Loan.

(a) The term of any loan shall not be for more than five (5) years; provided, however, that the term of a loan used for the purpose of acquiring a dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant may be for a period of up to fifteen (15) years.

(b) Notwithstanding the foregoing, the Committee shall require any such loan to be repaid at the time the Participant ceases to be an Employee. If the loan is not timely repaid, the Committee shall use the remedies provided under Section 9.8 to recover such loan.

9.6 Loan Agreement. Each Participant to whom a loan is made under this Section shall enter into an agreement with the Committee. Such agreement shall set forth the principal amount of the loan, the repayment terms (subject to the provisions of Section 9.7), the interest rate and the provisions for securing the loan in accordance with Section 9.4.

9.7 Repayment of Loan.

(a) Payments of principal and interest shall be made by payroll deduction or in any other manner agreed to by the Participant and the Committee; provided, however, that in all cases, loan repayments of principal and interest shall be made in substantially level amounts and shall be made no less frequently than quarterly over the term of the loan.

(b) Principal and interest payments with respect to the loan shall be credited solely to the appropriate account of the borrowing Participant from which the loan was made based upon the Participant's current investment elections. Any loss caused by nonpayment or other default on a Participant's loan obligations shall be borne solely by such Participant's appropriate account.

(c) If a Participant is on an unpaid leave of absence, such Participant shall be obligated to repay the loan in the manner agreed to by such Participant and the Committee.

(d) A loan may be repaid in full as of any date without penalty.

9.8 Collection of Loan. In the event that the Participant does not repay such loan within the time and manner prescribed by the repayment terms, in addition to any legal remedies the Committee may have, the Committee shall offset the unpaid amount of such loan against any distribution payable to such Participant or Beneficiary under Article VII no earlier than at the time such distribution would first become payable thereunder and the Participant shall be considered to having consented to a deemed distribution of the unpaid loan amount. In the event that the amount of any such offset is not sufficient to repay the remaining balance of any such loan, such Participant shall be liable for and continue to make payments on any balance still due from him.

9.9 Loan Guidelines. The Committee may issue loan guidelines, which shall form part of the Plan, describing the procedures and conditions for making and repaying loans, and the administrative fees due from Participants to take a loan, and may revise those guidelines at any time and for any reason.

ARTICLE X.

TOP HEAVY RULES

10.1 Notwithstanding anything contained herein to the contrary, the provisions of this Article X shall become effective only for Plan Years in which the Plan is a Top-Heavy Plan.

10.2 The following words and phrases as used in this Article X shall have the meanings specified below:

(a) "Aggregation Group" shall mean the Plan and any other plan of the Employer or Affiliate intended to qualify under Section 401(a) of the Code:

(i) in which a Key Employee is a participant;

(ii) which enables a plan in which a Key Employee is a participant to meet the requirements of Section 401(a) or Section 410 of the Code.

The Aggregation Group shall also include any plan that is not described above, but which is designated by the Employer to be part of such Group, provided that the Group continues to meet the requirements of Code Sections 401(a)(4) and 410 with such plan being taking into account.

(b) "Compensation" shall mean the term as defined in Section 1.14.

(c) "Determination Date" shall mean, with respect to any Plan Year, the last day of the preceding Plan Year or, in the case of the first Plan Year, the last day thereof.

(d) "Key Employee" shall mean any person described in Section 416(i)(1) of the Code and shall, with respect to a Key Employee's cumulative accrued benefits and aggregated account balances, include any Beneficiary of such Key Employee.

(e) "Non-Key Employee" shall mean any Employee who is not a Key Employee and shall, with respect to a Non-Key Employee's cumulative accrued benefits and aggregated account balances, include a Beneficiary of such Non-Key Employee.

(f) "Top-Heavy Group" shall mean the Aggregation Group if the sum, as of the Determination Date, of:

(i) the present value of the cumulative accrued benefits for Key Employees under all defined benefit plans in such Aggregation Group, plus

(ii) the aggregate of the accounts of Key Employees under all defined contribution plans included in such Aggregation Group, exceed sixty percent (60%) of a similar sum determined for all employees.

(g) "Top-Heavy Plan" shall mean with respect to any Plan if, as of the Determination Date, the Plan is not part of an Aggregation Group and the aggregate of the accounts under the Plan of all Key Employees exceeds sixty percent (60%) of the aggregate of the accounts under the Plan of all employees, or if, as of the Determination Date, the Plan is part of a Top-Heavy Group. In determining the amount of the account or the cumulative accrued benefit of any employee for purposes of determining if the Plan is a Top-Heavy Plan,

including the determination of whether the Aggregation Group is a Top-Heavy Group, the present value of the cumulative accrued benefit for the employee and the amount of the account of the employee, as the case may be with respect to any plan, shall be increased by the aggregate distributions made with respect to such employee under such plan during the Plan Year that includes the Determination Date or during the four preceding Plan Years; and the credit balance of any employee who has not received any Compensation from the Employer at any time during the 5-year period ending on the Determination Date shall be disregarded.

10.3 Notwithstanding the provisions of Article III hereof, for each Plan Year in which this Plan is a Top-Heavy Plan, the Employer shall make a contribution (not including Salary Deferral Contributions) on behalf of each Eligible Employee who is a Non-Key Employee and is employed by the Employer on the last day of such Plan Year, in an amount equal to the lesser of (a) 3 percent of such Eligible Employee's Compensation for such Plan Year or (b) the largest percentage contribution amount (including Salary Deferral Contributions) allocated to any Key Employee for such Plan Year.

ARTICLE XI.

ADMINISTRATION OF THE PLAN

11.1 Definitions. For purposes of this Plan:

(a) "Fiduciary" shall mean any person who exercises any discretionary authority or discretionary control respecting the management or disposition of Plan assets, renders any investment advice for a fee or other compensation with respect to Plan assets, or exercises any discretionary authority or responsibility for Plan administration, and includes the Named Fiduciaries.

(b) "Named Fiduciaries or Named Fiduciary" shall mean:

(i) The Committee established to administer the Plan. The Committee shall have no responsibility relating to the management and control of the assets of the Plan, other than the responsibility to reconsider the policy and method of funding the Plan as provided in this Article.

(ii) The Trustee who shall be a Named Fiduciary only with respect to the management and control of the assets of the Plan.

11.2 Administration.

(a) The Committee shall have the authority to control and manage the operation and administration of the Plan in accordance with the responsibilities set forth in this Article, and shall have sole authority and discretion to determine all questions arising in the administration of the Plan, including questions relating to eligibility for, and the amount of,

benefits under the Plan. The Committee shall consist of one or more individuals appointed by the Company. In the absence of any such appointment, the Company shall serve as the Committee.

(b) A majority of the Committee members serving at the time shall constitute a quorum for the transaction of business of the Committee. All resolutions or other actions taken by the members at any meeting shall be by a vote of a majority of those present at such meeting. Except when reconsidering the policy and method of funding the Plan under this Article, upon concurrence in writing of the majority of the Committee members at the time in office, they may take action otherwise than at a meeting of the Committee provided that detailed records of such action shall be kept.

(c) The Committee may authorize any one or more individuals to execute any documents on behalf of the Committee, and any such documents so executed shall be accepted and relied upon as representing action by the Committee until the Committee, shall revoke such authorization.

(d) The Committee may from time to time establish rules and regulations to implement the provisions of this Plan. The records of the Employer, as certified to the Committee, shall be conclusive with respect to any and all factual matters dealing with the employment of a Participant. The Committee shall interpret the Plan and shall have sole authority and discretion to determine all questions arising in the administration, interpretation and application of the Plan, and all such determinations

by the Committee shall be conclusive and binding on all persons subject, however, to the provisions of the Code and ERISA.

(e) The Committee shall direct the Trustee to make payments from the Fund to Participants or Beneficiaries who qualify for such payments hereunder. Such order to the Trustee shall specify the name of the Participant or Beneficiary, his Social Security number, his address, and the amount and frequency of such payments.

(f) The Trustee may request instructions in writing from the Committee on any matters affecting the Trust and may rely and act thereon.

(g) The Committee shall be the agent for receipt of service of process by the Plan.

11.3 Allocation and Delegation of Responsibilities.

(a) The Committee may allocate among its members and may delegate to persons who are not members of the Committee any of its duties and responsibilities other than the responsibility to reconsider the policy and method of funding the Plan as provided in this Article.

(b) The Committee may employ or engage accountants, legal counsel, actuaries, custodians, agents or other persons to render advice or perform ministerial duties with regard to any responsibility or duty which the Committee has under the Plan. To the extent permitted by law, a member of the Committee shall not be precluded from rendering such advice in his individual capacity, and shall be entitled to rely upon and be fully protected

in any action taken by him in good faith in reliance upon any opinions or reports which shall be furnished to him by such accountants, legal counsel, actuaries, custodians, agents or other persons.

(c) The Company may appoint an Investment Manager or Managers to manage, acquire and dispose of any assets of the Plan. Any such Investment Manager shall bean investment adviser registered under the Investment Advisers Act of 1940, a bank as defined in that Act, or an insurance company qualified to perform investment services under the laws of at least two States. The appointment of any such Investment Manager shall not be effective until such Investment Manager has acknowledged in writing that it is a Fiduciary with respect to the Plan.

(d) The Committee shall periodically, but at least annually, review the performance of any persons to whom any duties or responsibilities have been allocated or delegated, and any persons who are employed or engaged to render advice or perform ministerial services. The Committee may require such formal or informal reports from such persons as it shall deem prudent and appropriate, and shall promptly terminate such allocation, delegation, employment, or engagement upon its determination that any such person or persons have failed to discharge their obligations to the satisfaction of the Committee or with the standard of care which would be imposed upon the Committee in the absence of such allocation, delegation, employment, or engagement.

(e) The Plan may purchase insurance for any Fiduciary to cover liability or losses occurring by reason of the act or omission of such Fiduciary, but such insurance shall permit recourse by the insurer against such Fiduciary in the case of a breach of a fiduciary obligation.

(f) The Company shall indemnify any Committee member, director, officer, shareholder or Employee against any and all claims, losses, damages, expenses and liabilities arising from their responsibilities in connection with the Plan, unless the same is determined to be due to gross negligence or willful misconduct.

(g) Nothing herein shall prevent any person or group of persons from serving in more than one fiduciary capacity with respect to the Plan, nor prevent an Employee or Participant from serving as a Fiduciary with respect to the Plan.

11.4 Standard of Conduct.

(a) In discharging their duties, the Fiduciaries shall act with the skill, care, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of alike character and with like aims. All Fiduciaries shall discharge their duties with respect to this Plan solely in the interests of the Participants and Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries and paying, reasonable expenses of administering the Plan; provided that contributions

(or the assets attributable thereto) may be returned to the Employer under Section 3.6 of this Plan.

The foregoing paragraph is not intended as a comprehensive statement of all responsibilities and duties of Fiduciaries under ERISA or any other applicable law, and the Fiduciaries shall be subject to all other duties and responsibilities which may be imposed by ERISA or other applicable law.

(b) Acquisition and holding by the Plan of “qualifying employer securities” and “qualifying employer real property”, as defined in ERISA, shall be permitted in accordance with the provisions of Section 407 of ERISA.

(c) The Committee shall periodically, but at least annually, reconsider the policy and method of funding the Plan and shall take such action as it deems necessary and advisable to implement its determinations. Such reconsideration shall take into account the short and long term financial needs of the Plan.

11.5 Resignation and Removal.

(a) A member of the Committee may resign by delivering to the Company a written notice of his resignation to take effect not less than sixty (60) days after the delivery thereof, unless notice of a shorter duration shall be accepted as adequate.

(b) Any member of the Committee may be removed by the Company by delivering to such member or by mailing to him via registered mail at his last known address, a written notification of such removal duly executed by the Company, which shall take effect not less than sixty (60) days after delivery thereof,

unless notice of a shorter duration shall be accepted as adequate.

(c) When any member of the committee shall cease to serve because of resignation, death, removal or otherwise, if no Committee members would continue to serve, the Company shall fill the vacancy; if one or more Committee members would otherwise continue to serve, the Company may, but need not, fill the vacancy.

11.6 Bonding Requirement. All Fiduciaries and any other persons who handle assets of the Plan shall serve under such bond as may be required by ERISA, or other applicable law, but in the absence of any such requirement, shall serve without bond. The Plan shall purchase the bond for any committee member, director, officer, shareholder or Employee who is required to serve under bond

11.7 Benefit Claims and Appeals. The claim of any person (hereinafter referred to as the “Claimant”) with respect to any benefits to which such Claimant may be entitled under the Plan shall be considered in accordance with the following procedure:

(a) Any Claimant may make written application to the Committee for benefits to which he believes he is entitled, at the time the application is made, under the Plan. Such application shall set forth all information necessary to determine whether the claim should be approved or denied. The Committee shall furnish to the Claimant an acknowledgment of his application,

including a notice of the time limits set forth in this Section 11.7.

(b) The Committee shall either approve the claim and take any appropriate action, or deny the claim. Such approval or denial shall be accomplished within an initial period of ninety (90) days after receipt of the claim by the Committee unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial ninety (90) day period. Any such extension shall expire no later than ninety (90) days after the end of the initial period. The extension notice shall describe the special circumstances requiring the extension of time and the expected date of decision,.

(c) If a claim is denied, the Committee shall furnish a written notice of such action to the Claimant within the applicable time limit described in paragraph (b). Such notice shall set forth, in a manner calculated to be understood by the Claimant:

(i) the specific reason or reasons for the denial;

(ii) specific reference to the pertinent provisions of this Plan on which the denial is based,

(iii) a description of any additional material or information necessary for the Claimant to perfect

his claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the review procedure, as set forth in paragraph (d).

(d) A Claimant whose claim has been denied (or to whom no written notice of denial has been furnished within the applicable time limit described in paragraph (b)) may appeal by written notice to the Committee requesting a review of the denial. The Claimant's written request for review must be submitted to the Committee within sixty (60) days after his receipt of the notice of the denial. A Claimant who wishes to appeal or has appealed a denial may:

(i) review all pertinent documents relating to his claim; and

(ii) submit issues and comments in writing for consideration by the Committee.

(e) The committee shall render the decision on review within an initial period of sixty (60) days after receipt of the Claimant's written request for review, unless special circumstances (including the need to hold a hearing, if the Committee has provided a procedure for holding hearings) require an extension of time. Any such extension shall expire no later than sixty (60) days after the end of the initial period. If such an extension is required, written notice thereof shall be furnished to the Claimant before the end of the initial period. The decision on review shall be in writing and shall include specific reasons

for the decision, written in a manner calculated to be understood by the Claimant with specific references to the pertinent provisions of the Plan on which the decision is based.

(f) Any claim, request for review or other action which may be made or taken by the Claimant under this Section may be made or taken by the Claimant's duly authorized representative.

11.8 Records and Reports. The Committee shall keep a record of all proceedings and acts and shall keep such books of account, records, and other data as may be necessary for proper administration of the Plan. The Committee shall make the records available for examination during business hours to the Employer or any person who may be entitled to benefits under the terms of this Plan, except that any such person shall examine only such records as pertain exclusively to such person, the Plan and Trust Agreement as currently in effect or hereafter amended, and any other documents which such person may be entitled to examine under ERISA or any other applicable law. The Committee shall also furnish to any person who may be entitled to benefits under the terms of this Plan such reports, descriptions, notifications or other materials as may be required under ERISA, the Code or other applicable law.

11.9 Expenses and Compensation of Fiduciaries.

(a) All Fiduciaries, except those receiving full time pay from the Employer may receive from the Plan such reasonable

compensation for services rendered to the Plan as shall be determined by the Company.

(b) All Fiduciaries may be reimbursed for expenses reasonably incurred in performance of their duties upon request, unless the contract, if any, for services by such fiduciaries does not provide for the requested reimbursement.

(c) The Plan may make advances to a Fiduciary to cover expenses to be properly and actually incurred by such Fiduciary in the performance of that Fiduciary's duties with respect to the Plan, provided that

(i) the amount of the advance shall be reasonable with respect to the amount of the expense which is to be incurred, and

(ii) the Fiduciary must account to the Committee at the end of the period covered by the advance for the expenses actually incurred.

(d) Nothing shall preclude a Fiduciary from receiving any benefit to which he may be entitled under the terms of the Plan, provided that such benefit shall be computed and paid on a basis which is consistent with the terms of the Plan as applied to all other Participants and Beneficiaries.

(e) The Committee shall not be bound by any notice or other communication unless and until it shall have been received in writing addressed to the Company at:

Human Resources Department
Park Place Entertainment Corporation
3930 Howard Hughes Parkway, Suite 400
Las Vegas, NV 89109

ARTICLE XII.

THE TRUST FUND

12.1 Trust Agreement. The Company has entered into an Agreement of Trust (the "Trust Agreement") with the Trustee, providing for the administration of the Fund by the Trustee, in such form and containing such provisions as are deemed appropriate. The Trust Agreement shall be deemed to form a part of this Plan, and any and all rights and benefits which may accrue to any person under this Plan shall be subject to all the terms and provisions of said Trust Agreement.

12.2 Investment Funds. The Fund shall be composed of Investment Funds designated by the Committee consisting of amounts in Participants' Salary Deferral Contributions Accounts, Matching Contributions Accounts, After Tax Contributions Accounts and Rollover Contributions Accounts and the earnings thereon that accrue from time to time.

12.3 No Segregation of Participants' Interests. Each Investment Fund may be maintained on an unallocated, undivided basis with no segregation of the interests of the Participants.

ARTICLE XIII.

AMENDMENT TERMINATION AND DISCONTINUANCE OF CONTRIBUTIONS

13.1 (a) The provisions of this Plan may be amended at any time and from time to time, by the company through action of the Company's Board of Directors. No such amendment, however, shall:

(i) vest in the Company any interest or control over the funds accumulated in accordance with this Plan or the benefits provided hereunder, except as provided in Section 3.6;

(ii) operate to deprive a Participant of any rights or benefits irrevocably vested in him under the Plan prior to such amendment; provided, however, that if any amendment shall be necessary to conform the Plan to the provisions and requirements of the Code, any regulation issued pursuant thereto, or any other pertinent provisions of federal or state law, no such amendment shall be considered prejudicial to the interest of a Participant or his Beneficiary, or a diversion of any part of the Fund to a purpose other than for their exclusive benefit; or

(iii) increase the powers, duties or liabilities of the Trustee without the Trustee's written consent.

(b) Any modification or amendment of the Plan may be made retroactive, if the Company, on the advice of counsel, deems such retroactivity to be necessary in order for the Plan to

conform to, or satisfy the conditions of any law, governmental regulations or ruling, or to meet the requirements of the applicable sections of the Code.

13.2 (a) In the event of the termination or partial termination of the Plan, or if there is a complete discontinuance of contributions under the Plan, each affected Participant's interest in the Fund shall be fully vested as of the date of such termination, partial termination or complete discontinuance of contributions under the Plan.

(b) If the operations of the Employer continue after termination, the Fund shall either (i) continue to be held for distribution in precisely the same time and manner as set forth in Article VII hereof or (ii) shall be held for distribution by the Trustee who shall distribute to the Participants then participating in the Fund the full amount standing to their credit, less the administrative costs to the Trustee for such distribution, in a lump sum cash payment in accordance with Article VII; provided, however, that subparagraph (ii) shall apply only if the distribution is permitted under Section 401(k)(10) of the Code and the Regulations thereunder.

(c) If the Plan is terminated and the Employer dissolves or ceases operation, the Fund shall be held for distribution by the Trustee who shall distribute to the Participants then participating in the Fund the full amount standing to their credit, less the administrative costs to the Trustee for such distribution, in a lump sum cash payment in accordance with Article VII,

provided that such distribution is permitted under Section 401(k)(10) of the Code and the Regulations thereunder.

ARTICLE XIV.

SPECIAL PROVISIONS PERTAINING TO TRANSFERS TO AND TRANSFERS FROM AFFILIATES AND PLANS MAINTAINED BY AFFILIATES

14.1 Transfers To Plans Maintained By Affiliates. If a Participant becomes employed by an Affiliate and becomes eligible to participate in a qualified defined contribution plan maintained by such Affiliate, such Participant may request, by written notice to the Committee on a form prescribed by the Committee, to have his Account Balance (including any amounts in such Account Balance attributable to an outstanding loan made to such Participant) transferred into the qualified defined contribution plan of such Affiliate; provided, however, that:

(a) the terms of the defined contribution plan of such Affiliate must permit such plan to receive a direct transfer of the Participant's Account Balance, and

(b) no transfers shall be made under this Section 14.1 until the Participant is fully vested in his Matching Contribution Account.

14.2 Transfers From Plans Maintained by Affiliates.

(a) If an Eligible Employee (i) was previously employed by an Affiliate, (ii) was a participant in a qualified defined contribution plan (that is not subject to Section 401(a)(11) of the Code) maintained by such Affiliate (an "Affiliate Plan"), and (iii) is fully vested in the entire balance of his accounts under such Affiliate Plan, such

Participant may request, by written notice to the Committee on a form prescribed by the Committee, to transfer to the Plan the entire balance of his accounts (including any amounts in such accounts attributable to an outstanding loan made to the Eligible Employee) under the Affiliate Plan.

(b) Any amounts transferred from an Affiliate Plan to this Plan under paragraph (a) shall be accounted for in accordance with the following rules:

(i) Amounts transferred from the Affiliate Plan to this Plan which are attributable to elective deferrals made pursuant to Section 401(k) of the Code and any earnings attributable to such elective deferrals, shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(ii) Amounts transferred-from the Affiliate Plan to this Plan which are attributable to (A) "matching contributions" (as defined under Code section 401(m)(4)(A)) made under the Affiliate Plan and any earnings attributable to such matching contributions, or (B) profit sharing contributions made under the Affiliate Plan and any earnings attributable to such profit sharing contributions, shall be credited to such Participant's Matching Contribution Account under this Plan.

(iii) Amounts transferred from the Affiliate Plan to this Plan which are attributable to contributions

made by the Participant to such Affiliate Plan as "rollover amounts" described under Section 402(c) of the code and any earnings attributable to such contributions shall be credited to such Participant's Rollover Contribution Account under the Plan.

(iv) Amounts transferred from the Affiliate Plan to this Plan which are attributable to employee after-tax contributions made by the Participant to such Affiliate Plan and any earnings attributable to such employee contributions, shall be credited to such Participant's After Tax Contribution Account under the Plan.

(c) All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from an Affiliate Plan shall continue to apply with respect to such transferred amounts held under this Plan.

(d) An outstanding loan transferred to the Plan from any Affiliate Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Affiliate Plan, except that the Plan will be substituted as the obligee of the loan.

ARTICLE XV.

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM THE OLD GRAND CASINOS 401(K) SAVINGS PLAN

15.1 Transfers of Account Balances. Amounts transferred from accounts under the Old Grand Casinos Plan shall be accounted for in accordance with the following rules:

(a) Amounts transferred from the Old Grand Casinos Plan to this Plan consisting of (A) a Participant's "Deferral Contributions Account" (as such term was defined in the old Grand Casinos Plan) attributable to elective deferrals made pursuant to Section 401(k) of the Code and any earnings attributable to such elective deferrals and (B) a Participant's "Qualified Nonelective Contributions Account" (as such term was defined in the Old Grand Casinos Plan) shall be credited to such Participant's-Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Old Grand Casinos Plan to this Plan consisting of a Participant's "Matching Contribution Account" (as such term was defined in the Old Grand Casinos Plan) attributable to "matching contributions" (as defined under Code Section 401(m)(4)(A)) and any earnings attributable to such matching contributions shall be credited to a separate subaccount established under such. Participant's Matching Contribution Account under this Plan. Notwithstanding the provisions of Section 7.3, such Participant shall be fully vested in any amounts credited to such subaccount.

(c) Amounts transferred from the Old Grand Casinos Plan to this Plan consisting of a Participant's "Rollover Account" (as such term was defined in the old Grand Casinos Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

15.2 Distributions. The provisions of Article VII shall apply to any individual who has an Account Balance transferred to the Plan from the Old Grand Casinos Plan pursuant to this Article XV.

15.3 Loans. An outstanding loans transferred to the Plan from the Old Grand Casinos Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Old Grand Casinos Plan, except that the Plan will be substituted as the obligee of the loan.

15.4 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Old Grand Casinos Plan shall continue to apply with respect to such transferred amounts held under this Plan.

15.5 Restoration of Forfeitures. The provisions of Section 7.3(f), relating to the restoration of forfeitures shall apply to any individual who: (i) was a participant in the Old Grand Casinos Plan, (ii) terminated employment with Grand Casinos, Inc. prior to December 31, 1998, (iii) received a distribution in his vested account balance under the Old Grand Casinos Plan, (iv) was

reemployed by the Employer prior to completing five (5) consecutive One-Year Breaks in Service (including, for this purpose, any one-year breaks in service that might have occurred under the Old Grand Casinos Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

ARTICLE XVI.

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM THE CAESARS PLAN

16.1 Transfer of Account Balances. Amounts transferred from accounts under the Caesars Plan shall be accounted for in accordance with the following rules:

(a) Amounts transferred from the Caesars Plan to this Plan consisting of (i) a Participant's "pre-tax account" (as such term is defined in the Caesars Plan) and (ii) a Participant's "ITT pre-tax account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "employer match account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "rollover account" (as such term is defined in the Caesars Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(d) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "ITT post-86 after-tax account" and a Participant's "ITT pre-87 after-tax account" (as such terms are defined in the Caesars Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

(e) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "Starwood match account", "ITT match account," "Westin RAP account" and "prior plan basic account" (as such terms are defined in the Caesars Plan) shall be credited to a separate-subaccount established under such Participant's Matching Contribution Account under this Plan called the "Caesars Old Match Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be fully vested at all times in his Caesars Old Match Subaccount.

(f) Amounts transferred from the Caesars Plan to this Plan consisting of a Participant's "ITT rollover account" and "ITT prior plan monies account" (as such terms are defined in the Caesars Plan) shall be credited to a separate subaccount established under such Participant's Matching Contribution Account under this Plan called the "Caeasars Prior Plan Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be fully vested at all times in his Caesars Prior Plan Subaccount.

16.2 Distributions. The provisions of Article VII shall apply to any individual who has an account balance transferred from the Caesars Plan to this Plan pursuant to this Article XVI.

16.3 Special Withdrawal Rule for Participants with Caesars Prior Plan Subaccounts. A Participant who has a Caesars Prior Plan Subaccount under the Plan may elect to withdraw all or a portion of his Caesars Prior Plan Subaccount at any time.

16.4 Loans. Any outstanding loans transferred to the Plan from the Caesars Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Caesars Plan, except that the Plan will be substituted as the obligee of the loan.

16.5 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Caesars Plan shall continue to apply with respect to such transferred amounts held under this Plan.

16.6 Restoration of Forfeitures. The provisions of section 7.3(f) (relating to the restoration of forfeitures) shall apply to any individual who: (i) was a participant in the Caesars Plan, (ii) terminated employment with Caesars World, Inc. or its affiliate prior to the time such individual's accounts under the Caesars Plan are transferred to this Plan, (iii) received a distribution of his vested interest under the Caesars Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the Caesars Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

16.7 Special Rules Pertaining to the Starwood Stock Fund. If a Participant who had amounts transferred to this Plan pursuant to this Article XVI had a portion of his account balance

under the Caesars Plan invested in the Starwood Stock Fund (as such term is defined in the Caesars Plan), such amounts shall continue to be held in a Starwood Stock Fund under this Plan. The Starwood Stock Fund under this Plan shall consist of amounts invested by Participants in the Starwood Stock Fund under the Caesars Plan that were transferred to this Plan pursuant to this Article XVI. The Starwood Stock Fund is a frozen fund and Participants are prohibited from investing contributions or reallocating amounts held under the Plan to the Starwood Stock Fund. In connection with a distribution from the Plan pursuant to Sections 7.1, 7.2 or 7.3, a Participant may elect to receive the value of his Vested Account Balance invested in the Starwood Stock Fund in full paired shares of common stock of Starwood Hotels & Resorts Worldwide, Inc. and Class B shares of beneficial interest of Starwood Hotels & Resorts and in cash for any fractional shares.

ARTICLE XVII.

SPECIAL PROVISIONS PERTAINING TO TRANSFERS FROM THE BEST PLAN

17.1 Transfer of Account Balances. Amounts transferred from accounts under the BEST Plan shall be accounted for in accordance with the following rules:

(a) Amounts transferred from the BEST Plan to this Plan consisting of (A) a Participant's "Employee Deferral Account" (as such term is defined in the BEST Plan), (B) a Participant's "Qualified Non-Elective Contribution Account" (as such term is defined in the BEST Plan) and (C) a Participant's "Transfer Account" (as such term is defined in the BEST Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the BEST Plan to this Plan consisting of amounts in a Participant's "Employer Matching Contribution Account" (as such term is defined in the BEST Plan) that are not fully vested shall be credited to Matching Contribution Account under this Plan.

(c) Amounts transferred from the BEST Plan to this Plan consisting of amounts in a Participant's "Employer Matching Contribution Account" (as such term is defined in the BEST Plan) that are fully vested shall be credited to a separate subaccount established under such Participant's Matching Contribution Account under this Plan called the "Vested Match Subaccount". Notwithstanding

the provisions of Section 7.3, a Participant shall be fully vested at all times in his Vested Match Subaccount.

(d) Amounts transferred from the BEST Plan to this Plan consisting of a Participant's "rollover account" (as such term is defined in the BEST Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(e) Amounts transferred from the BEST Plan to this Account" (as such term is defined in the BEST Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

17.2 Distributions. The provisions of Article VII shall apply to any individual who has an account balance transferred from the BEST Plan to this Plan pursuant to this Article XVII.

17.3 Loans. Any outstanding loans transferred to the Plan from the BEST Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the BEST Plan, except that the Plan will be substituted as the obligee of the loan.

17.4 Benefit Options. All applicable "benefit options" (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the BEST Plan shall continue to apply with respect to such transferred amounts held under this Plan.

17.5 Restoration of Forfeitures. The provisions of Section 7.3(f), relating to the restoration of forfeitures, shall apply

to any individual who: (i) was a participant in the BEST Plan, (ii) terminated employment with Ballys Casino Holdings, Inc. or its affiliate prior to the time such individual's accounts under the BEST Plan are transferred to this Plan, (iii) received a distribution of his vested interest under the BEST Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the BEST Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer.

ARTICLE XVIII.

MISCELLANEOUS

18.1 Nothing contained in this Plan or in the Trust shall be held or construed to create any liability upon the Employer to retain any Employee in its employ. The Employer reserves the right to discontinue the services of any Employee without any liability except for salary or wages that may be due and unpaid whenever, in its judgment, its best interests so require.

18.2 This Plan and the Trust is for the exclusive benefit of the Participants and their Beneficiaries. This Plan should be interpreted in a manner consistent with this intent and with the intention that the Trust satisfy those provisions of the Code relating to qualified employee plans.

18.3 The Employer shall have no liability in respect to the payment of benefits or otherwise under the Plan; and the Employer shall have no liability in respect to the administration of the Trust or of the Fund held by the Trustees, and each Participant and/or Beneficiary shall look solely to the Fund for any payments or benefits under the Plan.

18.4 All administrative expenses of the Plan and Trust, including the compensation of consultants, auditors and counsel, may be paid from the Fund; provided, however, that the Employer, in its discretion, may elect to pay such expenses. Any expenses directly relating to the investments of the Fund, such as taxes, commissions, and registration charges, shall be paid from the Fund.

18.5 Except as may otherwise be provided under Section 401(a)(13)(B) (relating to special rules for "qualified domestic relations orders") and (C) of the code, no benefit under this Plan shall be subject in any manner to anticipation, pledge, encumbrance, alienation or assignment, and any attempt to anticipate, pledge, encumber, alienate or assign any such benefit shall be void, nor shall any such benefits be in any way subject to seizure, attachment or other legal or equitable process for the debts, contracts or liabilities of any Participant or Beneficiary. For purposes of this Section 18.5, payments may be made under this Plan to an "alternative payee" (as defined in Code Section 414(p)(8)) prior to the Participant's "earliest retirement age" (within the meaning of Code Section 414(p)(4)(B)) to the extent that such payments are consistent with the qualified domestic relations order. Any payment made under this Plan to an alternate payee pursuant to a qualified domestic relations order shall only be made in the form of a lump sum payment.

18.6 In the case of any merger or consolidation of the Plan with, or transfer of Plan assets or liabilities to, any other plan, provisions shall be made so that each Participant in the Plan on the date thereof (if the Plan then terminated) would receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately prior to the merger, consolidation or transfer if the Plan had then terminated.

18.7 This Plan shall be construed and administered in complete accordance with ERISA and, to the extent not preempted by such Act, the laws of the State of Mississippi.

18.8 Notwithstanding any provisions of the Plan to the contrary, contributions and service credit with respect to qualified military service, will be provided in accordance with Section 414(u) of the Code.

18.9 Pronouns shall be interpreted so that the masculine pronoun shall include the feminine, and the singular shall include the plural.

18.10 Headings of sections and subsections of this Plan are inserted for convenience of reference. They constitute no part of this Plan and are not to be considered in the construction thereof.

18.11 If any provision of this Plan is held to be illegal, invalid or unenforceable for any reason, this shall not affect any other provision of the Plan, and this Plan shall be construed as if said illegal, invalid or unenforceable provision had never been inserted herein.

18.12 The Plan set forth herein shall amend and restate, effective as of January 1, 1999, unless otherwise provided herein, all provisions of the Plan.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Plan on this 28th day of February, 2001.

ATTEST:

/s/ Bernard E. DeLury
Bernard E. DeLury, Jr., Secretary

GRAND CASINOS, INC.

By: /s/ Wallace R. Barr
Wallace R. Barr
Title: Chairman

FIRST AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(K) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") was adopted on February 28, 2001;

WHEREAS, under Section XIII of the Plan, Grand Casinos, Inc. reserved the right to amend the provisions of the Plan through action of its Board of Directors; and

WHEREAS, it has become necessary to amend the Plan in order to (i) provide for an appendix to specify the participating employers under the Plan and (ii) make certain other changes to the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.14 is amended to read as follows:

"'Compensation' shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses, any severance or salary continuation payments received by the Participant and all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, or contributions made under any insurance or welfare plan."

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2. Section 1.19 is amended to read as follows:

"1.19 'Employer' shall mean the Company and any Affiliate which adopts the Plan. Appendix A hereto sets forth the names of all Employers."

3. Section 1.46(e) is amended by adding the following new sentence at the end thereof to read:

"For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate."

4. Section 1.46 is amended by adding the following new paragraphs (f) and (g) at the end thereof to read:

"(f) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating a 'Year of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(g) If on June 1, 2001 an individual is an employee of Bally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Year of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan."

5. Section 1.47(e) is amended by adding the following new sentence at the end thereof to read:

"For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate."

6. Section 1.47 is amended by adding the following new paragraphs (g) and (h) at the end thereof to read:

"(g) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'.

(h) If on June 1, 2001 an individual is an employee of Bally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'."

7. Section 4.3(c) is amended by adding the following new subparagraphs (v) and (vi) at the end thereof to read:

"(v) The Actual Deferral Percentage limitations of this Section shall, pursuant to Treas. Reg. § 1.401(k)-1(g)(11) be applied separately (A) to Eligible Employees of the Employer covered by a collective bargaining agreement and (B) to Eligible Employees of the Employer not covered by a collective bargaining agreement.

(vi) The Employer may treat collective bargaining units separately or two or more separate collective bargaining units as a single collective bargaining unit in accordance with Treas. Reg. §1.401(k)-1(g)(11)(ii)(B)."

8. Section 4.5(c) is amended by adding the following new subparagraph (vi) at the end thereof to read:

"(vi) The Actual Contribution Percentage Test of Section 4.5(a) shall be automatically satisfied with respect to those Eligible Employees who are covered by a collective bargaining agreement pursuant to Treas. Reg. § 1.401(m)-1(a)(3)."

9. The first two sentences of Section 9.1(c) are amended to read as follows:

"The minimum loan shall be $500 and, except as otherwise provided in this paragraph (c), only one loan (or, at the sole discretion of the Committee, two loans) may be outstanding at any time. This requirement

that only one loan (or two loans) may be outstanding at any time shall not apply to the extent that a loan (or loans) is (are) used to pay unreimbursed educational expenses incurred by the Participant, his spouse, children or, dependents ("education loan")."

10. The following new Appendix A is added to the end of the Plan to read:

"APPENDIX A

Names of Employers

Plan Sponsor:

Grand Casinos, Inc. (Minnesota)

Affiliates:

BL Development Corp. (Minnesota)
Grand Casinos of Mississippi, Inc. - Biloxi (Minnesota)
Grand Casinos of Mississippi, L.L.C. - Gulfport (Minnesota)
Effective March 5, 2001, Bally's Olympia Limited Partnership (Delaware)
Effective March 5, 2001, Sheraton Tunica Corporation
Effective July 9, 2001, Roman Holding Corporation of Indiana"

11. Effective Dates.

(a) The amendments made by paragraph 1, 3, 5, 7 and 8 shall be effective as of January 1, 2001.

(b) The amendments made by paragraph 4 and 6 shall be effective as of June 1, 2001.

(c) The amendments made by paragraphs 2 and 10 shall be effective as of July 9, 2001.

(d) The amendments made by paragraph 9 shall be effective on December 3, 2001.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this First Amendment to the Plan on this 21st day of November, 2001.

ATTEST:

/s/ Bernard E. DeLury, Jr.
Secretary

GRAND CASINOS, INC.

By: /s/ Wallace R. Barr

Title: President

SECOND AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") was adopted on February 28, 2001;

WHEREAS, under Section XIII of the Plan, Grand Casinos, Inc. reserved the right to amend the provisions of the Plan through action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001; and

WHEREAS, it has become necessary to amend the Plan in order (i) to incorporate certain provisions intended to be good faith compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), (ii) for the Internal Revenue Service to issue a favorable determination letter for the Plan and (iii) to make certain other design changes to the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.1 is amended to read as follows:

"1.1 'Account Balance' shall mean the sum of the account balances in the Participant's Salary Deferral Contribution Account, Matching Contribution Account, Rollover Contribution Account, Catch-Up Contribution Account and After Tax Contribution Account."

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2. Section 1.14 is amended to read as follows:

"1.14 'Compensation' shall mean salary, wages, bonuses, overtime, gratuities, commissions and other remuneration earned by a Participant for personal services actually rendered in the course of employment with the Employer during a Plan Year for the period of time during which he was a Participant during such Plan Year, but shall exclude any income attributable to the grant, vesting or exercise of stock options granted to the Employee by the Employer, any moving expenses, any relocation bonuses, any severance or salary continuation payments received by a Participant and all Matching Contributions to this Plan and any other employer contributions to any other pension or profit sharing plan, or contributions made under any insurance or welfare plan. Compensation shall include Salary Deferral Contributions hereunder, any pre-tax salary reduction contributions under a Code Section 125 plan and any pre-tax salary reduction amounts under a Code Section 132(f) transportation program."

3. The first sentence of Section 1.17 is amended to read as follows:

"'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of the Employer and has completed a Year of Eligibility Service; provided, however, that effective January 1, 2002, 'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of the Employer and has completed Six Months of Eligibility Service."

4. The second sentence of Section 1.17 is amended to read as follows:

"For purposes of the Plan, an Eligible Employee shall not include: (a) any Employee who is included in a unit covered by a collective bargaining agreement between Employee representatives and the Employer unless the bargaining agreement specifically requires participation in this Plan; (b) any Leased Employee; or (c) any individual retained directly or through a third party agency, including a leasing organization within

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the meaning of Code Section 414(n)(2), to perform services for the Employer (for either a definite or indefinite duration) in the capacity of a temporary service worker, leased worker, independent contractor, consultant or any similar capacity, to the extent that such individual is or has been determined by a governmental entity, court, arbitrator, or other third party, to be an employee of the Employer for any purpose, including tax withholding, employment tax, employment law or for purposes of any other employee 4. benefit plan of the Employer."

5. Section 1.24 is amended by (a) deleting the third paragraph thereof.

6. Section 1.42 is amended to read as follows:

"1.42 'Termination of Employment' shall mean the voluntary severance from employment of an Employee, or the involuntary severance from employment of an Employee by the Employer, other than severance from employment by reason of death, Disability or Retirement under this Plan. For purposes of this Plan, an Employee shall not be considered to have a Termination of Employment until such Employee is no longer employed by the Employer or any Affiliate."

7. Article I is amended by adding a new Section 1.46A, immediately following Section 1.46 thereof to read:

"1.46A 'Six Months of Eligibility Service' shall mean:

(a) (i) The six-month period beginning on the Employee's Employment Commencement Date and ending on the six month anniversary of the Employee's Employment Commencement Date (the "Initial Six Month Employment Period") in which an

Employee is credited with at least 500 Hours of Service; (ii) if an Employee is not credited with 500 Hours of Service at the end of the Initial Six Month Employment Period, an Employee shall be credited with Six Months of Eligibility Service at the time such Employee is credited with 500 Hours of Service during the twelve-month period beginning on the Employee's Employment

Commencement Date and ending on the twelve month anniversary of the Employee's Employment Commencement Date (the "Initial Twelve Month Employment Period"); or (iii) if an Employee is not credited with 500 Hours of Service during his Initial Twelve Month-Employment Period, an Employee will be credited with Six Months of Eligibility Service at the time he is credited with 500 Hours of Service during a Plan Year, beginning with the Plan Year that includes the last day of the Employee's Initial Twelve Month Employment Period.

(b) If on December 31, 1998, or at any time within one year after that date, an individual is an Employee of the Employer or any Affiliate:

(i) any period during which such individual was employed by Hilton Hotels Corporation or any of its affiliates prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service';

(ii) if on December 18, 1996 such individual was employed by Bally's Entertainment Corp. or any of its affiliates, any period during which such individual was employed by Bally's Entertainment Corp. or any of its affiliates shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service'; and

(iii) any period during which such individual was employed by Grand Casinos, Inc. prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service';

provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(c) If on January 1, 2000 an individual is an employee of Caesars World, Inc., any years of service credited to such individual under the

Starwood Hotels & Resorts Worldwide, Inc. Savings and Retirement Plan prior to such date shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(d) Any period during which an individual is employed by Atlantic City Country Club, Inc. prior to January 1, 1998 shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(e) Any period during which an individual is employed by an Affiliate (either before or after employment hereunder) shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service'; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan. For purposes of this paragraph (e), employment with Belle of Orleans shall be treated as employment by an Affiliate.

(f) If on November 1, 2000 an individual is an employee of Cascata Golf Course, any period during which such individual was employed by Cascata Golf Course prior to November 1, 2000 shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility service' under the Plan; provided, however, that any such individual who is not actually employed by the Employer shall not become an Eligible Employee in the Plan.

(g) If on June 1, 2001 an individual is an employee of Bally's Skyscraper, Inc., any period during which such individual was employed by The Claridge at Park Place, Inc. prior to June 1, 2001 shall be treated as employment as an Employee for purposes of calculating a 'Six Months of Eligibility Service' under the Plan; provided, however, that any such individual

who is not actually employed by the Employer shall not become an Eligible Employee in the Plan."

8. Article I is amended by adding new Sections 1.48 and 1.49 at the end to read:

"1.48 'Catch-Up Contribution' shall mean the amount contributed to the Plan in accordance with Section 3.9.

1.49 'Catch-Up Contribution Account' shall mean the separate account of a Participant established and maintained in accordance with Section 3.5.

9. Article I is amended by adding a new Section 1.50 at the end thereof to read:

"1.50 'Leased Employee' shall mean any individual who is not an Employee and who provides services to the Employer if (i) such services are provided pursuant to an agreement between the Employer and a leasing organization; (ii) such individual has performed services for the Employer on a substantially full time basis for a period of at least one year; and (iii) such services are performed under the primary direction and control by the Employer."

10. Section 3.1(a)(i) is amended to read as follows:

"(a)(i) Each Eligible Employee may elect to become a Participant as of any Entry Date after becoming an Eligible Employee by authorizing the Employer (in the manner prescribed by the Committee) to reduce his Compensation for a payroll period by an amount equal to from one percent (1%) to fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) (in whole percentages) of such Compensation for such payroll period and to have such amount deposited to the Plan as a Salary Deferral Contribution hereunder. In no event-shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under Section 3.3 for a Plan Year exceed fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such Plan Year.

The twenty percent (20%) limitation described above shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

11. Section 3.3(a) is amended to read as follows:

"(a) Each Participant may elect to contribute After Tax Contributions to the Plan. Such After Tax Contributions shall be contributed to the Plan through after tax payroll deductions and shall be made in increments of one percent (1%) to fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such payroll period. In no event shall the sum of a Participant's Salary Deferral Contributions under Section 3.1 and After Tax Contributions under this Section 3.3 for a Plan Year exceed fourteen percent (14%) (effective January 1, 2002, twenty percent (20%)) of such Participant's Compensation for such Plan Year. Any amounts so contributed by a Participant shall be credited to the Participant's After Tax Contribution Account. The twenty percent (20%) limitation described above shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

12. Section 3.4(a) is amended to read as follows:

"(a) The term "Rollover Contribution" shall mean:

(i) a distribution from a plan or annuity contract described in Sections 401(a), 403(a), 403(b) or 457(b) of the Code; provided, however, that except as provided in (ii) below, a Rollover Contribution shall not include any distribution from such an arrangement which is not includible in gross income;

(ii) a Direct Rollover (as defined in Section 7.9(b)) from a plan described in Section 401(a) of the code of which all or a portion consists of after-tax employee contributions which are not includible in gross income; or

(iii) a distribution from an individual retirement account described in Section 408(a)

of the Code or an-individual retirement annuity described in Section 408(b) of the Code; provided, however, that a Rollover Contribution shall not include any distribution from such an arrangement which is not includible in gross income."

13. Section 3.4(c)(i) is amended to read as follows:

"(i) A Rollover Contribution shall be credited to the Rollover Contribution Account for the Participant on whose behalf such contribution is made. However, any portion of a Rollover Contribution described in 3.4(a)(ii) which is not includible in gross income shall be separately accounted for."

14. The first sentence of Section 3.5 is amended to read as follows:

"The Committee shall maintain a separate Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account, Rollover Contribution Account and Catch-Up Contribution Account in the name of each Participant."

15. Article III is amended by adding the following new Section 3.9 at the end thereof to read.

"3.9 Catch-Up Contributions. Each Eligible Employee who is eligible to make Salary Deferral Contributions to the Plan pursuant to Section 3.1 who has attained age 50 before the end of a Plan Year shall be eligible to make a Catch-Up Contribution in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such Catch-Up Contributions shall not be taken into account for purposes of the limitations provided in Sections 4.1 and 4.7 of the Plan. The Plan shall not be. treated as failing to satisfy the provisions of the Plan implementing the requirements of Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such Catch-Up Contributions. Any Catch-Up Contributions made under the Plan on behalf of a Participant shall be

credited to such Participant's Catch-Up Contribution Account. A Participant shall be fully vested at all times in his Catch-Up Contribution Account."

16. Section 4.1 is amended by adding the following new sentence at the end thereof to read:

"The maximum dollar amount limitation described in this Section 4.1 shall not apply to any Catch-Up Contributions made pursuant to Section 3.9."

17. Section 4.3(c)(iii) is amended to read as follows:

"(iii) The Committee may in its sole discretion reduce or restrict Highly Compensated Employees' deferral elections made pursuant to Section 3.1 by the amount necessary to satisfy one of the tests set forth in Section 4.3(a)."

18. The first sentence of Section 4.4 (a) is amended to read as follows:

"Notwithstanding any other provision of the Plan, Excess Salary Deferral Contributions and income or loss allocable thereto shall be distributed to those Participants on whose behalf such Salary Deferral Contributions were made for a Plan Year, using the 'dollar leveling method' starting with the Highly Compensated Employee with the greatest dollar amount of Salary Deferral Contributions, and other contributions treated as Salary Deferral Contributions for the Plan Year, until the amount of Excess Salary Deferral Contributions has been accounted for, in accordance with the provisions of Section 401(k)(8)(C) of the Code."

19. Section 4.5(d) shall be amended by adding a new subparagraph (iv) at the end thereof to read:

"(iv) For Plan Years beginning on or after January 1, 2002, the foregoing provisions of this Section 4.5(d) shall no longer apply."

20. The first sentence of Section 4.6(a) is amended to read as follows:

"Notwithstanding any other provision of the Plan, Excess Qualified Contributions and income or loss allocable thereto shall either be forfeited, if forfeitable under the provisions of Section 7.3, or distributed to. those Participants on whose behalf such Qualified Contributions were made for a Plan Year, using the 'dollar leveling method' starting with the Highly Compensated Employee with the greatest dollar amount of Qualified Contributions, and other contributions treated as Qualified Contributions, for the Plan Year, until the amount of Excess Qualified Contributions has been accounted for, in accordance with the provisions of Section 401(m)(6)(C) of the Code."

21. Section 4.7(a) is amended to read as follows:

"(a) The Annual Additions credited to a Participant under the Plan for any Limitation Year shall not exceed the lesser of (i) 25 percent of the Participant's Adjusted Compensation or (ii) $30,000 (as adjusted by the Adjustment Factor). Effective January 1, 2002, except to the extent permitted under Section 3.9 and Section 414(v) of the Code, the Annual Additions credited to a Participant under this Plan for any Limitation Year shall not exceed the lesser of (i) 100 percent of the Participant's Adjusted Compensation or (ii) $40,000 (as adjusted by the Adjustment Factor)."

22. Section 4.8 is amended to read as follows:

"4.8 Limit on Compensation. For purposes of this Plan, Compensation, ADP Compensation and ACP Compensation of a Participant for a Plan Year in excess of $160,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account. Effective January 1, 2002, for purposes of this Plan, Compensation, ADP Compensation and ACP Compensation of a Participant for a Plan Year in excess of $200,000 (as adjusted by the Adjustment Factor under Section 401(a)(17)(B) of the Code) shall not be taken into account."

23. Section 6.2 is amended to read as follows:

"6.2 Allocation of Net Increase and Net Decrease to Accounts of Participants. The Trustee shall then allocate as of such Valuation Date a part of each such net increase or decrease to the Salary Deferral Contribution Account, Matching Contribution Account, After Tax Contribution Account, Catch-Up Contribution Account and Rollover Contributions Account of each Participant in the ratio that the balance in each such Account bears to all such Account balances."

24. Section 7.3(a)(i) is amended to read as follows:

"(a) (i) A Participant who ceases to be an Employee on account of his Termination of Employment shall be entitled to receive 100% of the balance in his Salary Deferral Contribution Account, Rollover Contribution Account, After Tax Contribution Account and Catch-Up Contribution Account, plus the Vested Percentage of the balance in his Matching Contribution Account. (For purposes of this Article VII, the balance in a Participant's Salary Deferral Contribution Account, Rollover Contribution Account, After Tax Contribution Account, and Catch-Up Contribution Account and the Vested Percentage of the balance in such Participant's Matching Contribution Account shall be referred to as the 'Vested Account Balance'.)"

25. Section 7.6 is amended by deleting paragraph (e) in its entirety.

26. The first sentence of Section 7.8 is amended to read as follows:

"A Participant shall be entitled to receive a hardship distribution of the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan, any post-December 31, 1988 income attributable to elective deferrals made by the Participant pursuant to Section 401(k) of the Code and transferred to this Plan and any income attributable to Salary

Deferral Contributions or Catch-Up Contributions), if the distribution is necessary to defray an immediate and severe financial hardship incurred by the Participant."

27. Section 7.8(b) is amended to read as follows:

"(b) Distribution Necessary to Satisfy the Financial Need. A hardship withdrawal shall be considered to be necessary to meet such an immediate and heavy financial need only under the following circumstances:

(i) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (that cannot be satisfied by distributions and/or non-taxable loans of the types described in subparagraph (ii) below). This distribution may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

(ii) The Participant has obtained (or requested) all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by the Employer or any Affiliate.

In the event of any hardship distribution to a Participant hereunder, such Participant may not make Salary Deferral Contributions, Catch-Up Contributions and/or After Tax Contributions to the Plan or to any other deferred compensation plans maintained by the Employer or any Affiliate during the 12 calendar months immediately following the date of such hardship withdrawal. Effective for hardship distributions made on or after January 1, 2002, the 12 calendar month suspension provided for in the preceding sentence shall be 6 calendar months. The Participant also may not make Salary Deferral Contributions (or comparable contributions) to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate, for the calendar year immediately following the calendar year of the hardship withdrawal, in excess of the applicable limit under Section 402(g) of the Code for such next calendar

year less the amount of such Participant's Salary Deferral Contributions (or comparable contributions) made on his behalf to the Plan or to any other tax-qualified retirement plan maintained by the Employer or any Affiliate for the calendar year of the hardship distribution. Effective January 1, 2002, the post-hardship contribution limit provided for in the preceding sentence shall no longer apply.

The foregoing provisions shall be applied on a uniform and nondiscriminatory basis and shall be subject to such changes as the Committee may deem to be necessary at any time to comply with Treasury Regulations or other rules issued under Section 401(k) of the Code."

28. Sections 7.8(c)(ii) is amended to read as follows:

"(ii) The amount of any hardship distribution shall in no event exceed the total amount of the Participant's Vested Account Balance (excluding After Tax Contributions, Rollover Contributions, the amount of any outstanding loan and any post-December 31, 1988 income attributable to elective deferrals made pursuant to Section 401(k) by the Participant of the Code.)"

29. Sections 7.9(b)(i) and (ii) are amended to read as follows:

"(i) 'Eligible Rollover Distribution' shall mean any distribution of all or any portion of the Participant's Vested Account Balance, except that an Eligible Rollover Distribution does not include:

(A) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more.

(B) Any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

(C) The portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net-unrealized appreciation with respect to employer securities). Effective January 1, 2002, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan as described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(D) Effective January 1, 2000, any distribution of a Participant's Salary Deferral Contributions made pursuant to Section 7.8 on account of hardship and, effective January 1, 2002, any distribution of a Participant's Vested Account Balance made pursuant to Section 7.8 on account of hardship.

(ii) 'Eligible Retirement Plan' shall mean an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Participant's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a surviving spouse, an Eligible Retirement Plan shall mean only an individual retirement account or individual retirement annuity. Effective for distributions made on or after January 1, 2002 'Eligible Retirement Plan' shall also mean an annuity contract described in Code Section 403(b)

and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. This definition of 'Eligible Retirement Plan' shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p).

30. Section 10.2(g) is amended to read as follows:

"(g) 'Top-Heavy Plan' shall mean with respect to any Plan Year, the Plan if, as of the Determination Date, the Plan is not part of an Aggregation Group and the aggregate of the accounts under the Plan of all Key Employees exceeds sixty percent (60%) of the, aggregate of the accounts under the Plan of all employees, or if, as of the Determination Date, the Plan is part of a Top-Heavy Group. In determining the amount of the account or the cumulative accrued benefit of any employee for purposes of determining if the Plan is a Top-Heavy Plan, including the determination of whether the Aggregation Group is a Top-Heavy Group the following rules shall apply:

(i) The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting '5-year period' for '1-year period.'

(ii) The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the Determination Date shall not be taken into account."

31. Section 10.3 is amended by adding the following new sentence at the end thereof to read:

"In determining whether the Employer has made any contribution required under this Section 10.3, any Matching Contributions made by the Employer under Section 3.2 (or any similar contributions made under any other plan maintained by the Employer or an Affiliate) shall be taken into account."

32. Article XIV is amended by adding the following new Section 14.3 at the end thereof to read:

"14.3 For purposes of this Article XIV, Belle of Orleans, L.L.C. shall be considered an Affiliate of Grand Casinos, Inc. and its Affiliates."

33. Effective Dates.

(a) The amendments made by paragraphs 4, 5, 18, 20, 26 and 28 shall be effective as of January 1, 1999.

(b) The amendment made by the last sentence of paragraph 2 shall be effective as of January 1, 1999.

(c) The amendment made by paragraph 32 shall be effective as of March 5, 2001.

(d) Except as otherwise provided, the amendments made by paragraphs 2, 3, 7, and 17 shall be effective as of January 1, 2002.

(e) Except otherwise provided, the amendments made by paragraphs 1, 6, 8, 10 through 16, 19 and 21 through 25, 27, 29, 30 and 31 shall be effective as of January 1, 2002. The amendments made by such paragraphs shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of the amendment. The amendments made by such paragraphs are adopted to reflect certain provisions of EGTRRA and are intended as good faith compliance with the requirements of EGTRRA and guidance issued thereunder.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Second Amendment to the Plan on this 31st day of December, 2002.

ATTEST:

Pamela Bouchard

GRAND CASINOS, INC.

By: /s/ Wallace R. Barr

Title: President

THIRD AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") was adopted on February 28, 2001;

WHEREAS, under Section XIII of the Plan, Grand Casinos, Inc. reserved the right to amend the provisions of the Plan through action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, 2002; and

WHEREAS, it has become necessary to amend the Plan in order to (i) incorporate the final Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code that are applicable to the Plan as of January 1, 2003, and (ii) provide for the merger of the Restated Bally's Casino 401(k) Savings Plan into the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. The last sentence of Section 7.2(a) is amended to read as follows:

"Any distribution under this Section shall be made (or commence to be made) as soon as practicable after the Participant's death, but in no event later than the December 31 of the calendar year immediately following the calendar year in which the Participant died."

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2. Section 7.2 (b) is amended to read as follows:

"(b) If a Participant who ceased to be an Employee on account of his Retirement or Disability dies after commencing to receive a distribution of his Account Balance in the form of installment payments but prior to the completion of the distribution of the entire Account Balance, the Participant's Beneficiary shall be paid the remaining installments at the same time, in the same manner and for the remaining scheduled period of such installments; provided, however, that the Beneficiary may elect a single lump sum cash payment of the remaining unpaid installments."

3. Subparagraph (i) of Section 7.3(b) is amended by adding the following sentence at the end thereof to read:

"If such Participant should die prior to receiving distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's Vested Account Balance in accordance with paragraph (c) of this Section."

4. Subparagraph (ii) of Section 7.3(b) is amended by adding the following sentence at the end thereof to read:

"If such Participant should die prior to receiving distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's Vested Account Balance in accordance with paragraph (c) of this Section."

5. Section 7.3(c) is amended by adding the following sentence at the end thereof to read:

"If a Terminated Vested Participant should die prior to receiving distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's Vested Account Balance in a lump sum payment as soon as practicable following the Terminated Vested Participant's date of death, but in no event later than the December 31 of the calendar year immediately following the calendar year in which the Participant died."

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6. Section 7.5 is amended to read as follows:

"7.5 Special Rules for Certain Distributions.

(a) A Participant may elect, in accordance with the provisions of Sections 7.1 and 7.2, in lieu of a lump sum cash payment, to receive his distribution in the form of substantially equal monthly installments not to exceed the lesser of (a) 120 or (b) the maximum monthly installments based upon the Participant's life expectancy computed in accordance with the provisions of Section 7.6(a)(ii)(A), or if the Participant's spouse is the sole Beneficiary, then in accordance with the provisions of Section 7.6(a)(ii)(B).

(b) (i) If the Participant dies before the first installment payment is due and the Participant has designated an individual as Beneficiary in accordance with Section 1.401(a)(9)-4, Q&A-1 of the Treasury Regulations (the "Designated Beneficiary"), the Designated Beneficiary may elect, in accordance with the provisions of Section 7.2(a), in lieu of a lump sum cash payment, to receive his distribution in the form of substantially equal monthly installments not to exceed the lesser of (a) 120 or (b) the maximum monthly installments based upon the Designated Beneficiary's life expectancy computed in accordance with the provisions of Section 7.6(a)(ii)(A); or

(ii) If the Participant dies before the first installment payment is due and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire Account Balance will be

completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) If the Participant dies before the first installment payment is due, the Participant's surviving spouse is the sole Designated Beneficiary, and the surviving spouse dies before the first installment is due, this Section 7.5 shall apply as if the surviving spouse were the Participant.

(d) A Participant who elects to receive his distribution in the form of installments (or such Participant's Beneficiary if such Participant dies prior to the time the installment payments have been fully paid out) may at any time elect to receive a single lump sum cash payment of the remaining unpaid installments."

7. Paragraph (a) of Section 7.6 is amended to read as follows:

"(a) (i) Notwithstanding anything to the contrary in this Article, as required by Code Section 401(a)(9) and the Treasury Regulations thereunder, with respect to any Participant who is a "five percent owner" (as defined in Code Section 416), the distribution of such Participant's Account Balance shall be made (or commence) in accordance with subparagraph (ii) of this paragraph no later than April 1 of the calendar year following the calendar year in which the Participant reaches age 70-1/2 (the "Required Beginning Date"), regardless of whether such Participant is still actively employed as of such date. If the Participant continues to participate in the Plan, the minimum amount that must be distributed to the Participant in accordance with subparagraph (ii) of this paragraph for other calendar years, including the required minimum distribution for the calendar year in which the Participant's Required Beginning Date occurs, shall be distributed on or before December 31 of that calendar year.

(ii) At the election of the Participant, the Participant's Account Balance shall either be distributed in its entirety to the Participant in accordance with Code Section 401 (a)(9)(A)(i) and the Treasury Regulations thereunder, or distributed to the Participant during the Participant's lifetime in an amount for each distribution calendar year that is the lesser of:

(A) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) if the Participant's sole Designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's ages as of the Participant's and spouse's birthdays in the distribution calendar year.

For purposes of calculating the required minimum distribution pursuant to this subparagraph (ii), the first "distribution calendar year" shall be the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. All other "distribution calendar

years" shall be the calendar year in which the minimum distribution is required. In addition, the Participant's Account Balance shall mean the Account Balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (the "Valuation Calendar Year"), increased by the amount of any contributions made and allocated to the Account Balances as of dates in the Valuation Calendar Year after the Valuation Date and decreased by distributions made in the Valuation Calendar Year after the Valuation Date."

8. Section 7.6 is amended by adding new paragraph (e) at the end thereof to read:

"(e) All distributions made under this Article VII shall be made in accordance with Code Section 401(a)(9) and Sections 1.401(a)(9)-1 through 1.401(a)(9)-9 of the Treasury Regulations. The provisions in the Plan reflecting Code Section 401(a)(9) shall override any distribution option in the Plan inconsistent with Code Section 401(a)(9)."

9. The Plan is amended by adding new ARTICLE XIX at the end thereof to read:

"ARTICLE XIX

SPECIAL PROVISIONS PERTAINING TO THE MERGER OF
THE BALLY'S CASINO 401(K) SAVINGS PLAN INTO THE PLAN

19.1 General. Effective as of December 31, 2003, the Bally's Casino 401(k) Savings Plan (the "Bally's Plan") shall be merged into the Plan so that all assets of the Bally's Plan shall be transferred to the Plan for application under the terms of the Plan and the liabilities for benefits accrued under the Bally's Plan through December 30, 2003, shall be assumed by the Plan.

19.2 Transfer of Account Balances. In connection with the merger of the Bally's Plan into the Plan, amounts reflecting the account balance in each account under the Bally's Plan as of December 31, 2003 with respect to each participant under the Bally's Plan as of such date shall be accounted for under the Plan in accordance with the following rules:

(a) Amounts transferred from the Bally's Plan to this Plan consisting of (i) a Participant's "Salary Deferral Contribution Account" (as such term is defined in the Bally's Plan), (ii) a Participant's

"Qualified Non-Elective Contribution Account" (as such term is defined in the Bally's Plan and (iii) a Participant's Transfer Account" (as such term is defined in the Bally's Plan) shall be credited to such Participant's Salary Deferral Contribution Account under this Plan.

(b) Amounts transferred from the Bally's Plan to this Plan consisting of a Participant's "Matching Contributions Account" (as such term is defined in the Bally's Plan) that are not vested shall be credited to such Participant's Matching Contribution Account under this Plan.

(c) Amount's transferred from the Bally's Plan to this Plan consisting of a Participant's "Matching Contribution Account" (as such term is defined in the Bally's Plan) that are fully vested shall be credited to a separate subaccount established under such Participant's Matching Contribution Account under this Plan called the "Vested Match Subaccount". Notwithstanding the provisions of Section 7.3, a Participant shall be vested at all times in his Vested Match Subaccount.

(d) Amounts transferred from the Bally's Plan to this Plan consisting of a Participant's "Rollover Contribution Account" (as such term is defined in the Bally's Plan) shall be credited to such Participant's Rollover Contribution Account under this Plan.

(e) Amounts transferred from the Bally's Plan to this Plan consisting of a Participant's "Catch-Up Contribution Account" (as such term is defined in the Bally's Plan) shall be credited to such Participant's Catch-Up Contribution Account under this Plan.

(f) Amounts transferred from the Bally's Plan to this Plan consisting of a Participant's "After Tax Contribution Account" (as such term is defined in the Bally's Plan) shall be credited to such Participant's After Tax Contribution Account under this Plan.

19.3 Distributions. The provisions of ARTICLE VII shall apply to any individual who has an account balance transferred from the Bally's Plan to this Plan pursuant to this ARTICLE XIX.

19.4 Loans. Any outstanding loans transferred to the Plan from the Bally's Plan will continue to be held on the same terms as those contained in the loan agreement between the Participant and the Bally's Plan, except that the Plan will be substituted as the obligee of the loan.

19.5 Benefit Options. All applicable 'benefit options' (within the meaning of Section 411(d)(6)(B)(ii) of the Code and the Treasury Regulations thereunder) that are attributable to any amounts transferred from the Bally's Plan shall continue to apply with respect to such transferred amounts held under this Plan.

19.6 Restoration of Forfeitures. The provisions of Section 7.3(f) (relating to the restoration of forfeitures) shall apply to any individual who: (i) was a participant in the Bally's Plan, (ii) terminated employment with Belle of Orleans, L.L.C. prior to the time such individual's accounts under the Bally's Plan are transferred to this Plan, (iii) received a distribution of his vested interest under the Bally's Plan, (iv) was reemployed by the Employer prior to completing five (5) consecutive One Year Breaks in Service (including, for this purpose, any one year breaks in service that might have occurred under the Bally's Plan), and (v) repays the full amount previously distributed to him within five years of the date he is reemployed by the Employer."

10. The list of Affiliates in Appendix A to the Plan is amended by adding the following Affiliate:

"Effective December 31, 2003, Belle of Orleans, L.L.C."

11. Effective Dates.

(a) The amendments made by paragraphs I through 8 shall be effective as of January 1, 2003.

(b) The amendments made by paragraphs 9 and 10 shall be effective on December 31, 2003.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Third Amendment to the Plan on this 30th day of December, 2003.

ATTEST: GRAND CASINOS, INC.

Carleeta Howard By: /s/ Wallace R. Barr

Title: President

The following summarizes the changes made by the Fourth Amendment to the Restated Grand Casinos 401(k) Savings Plan (the "Plan"):

a. Paragraph 1 provides for the elimination of the stock distribution right of those participants with a balance in the Starwood Stock Fund in connection with the liquidation of all stock amounts held under the Starwood Stock Fund.

b. Paragraph 2 add a new Section 18.3 (b) to provide for additional fiduciary protection for the Committee in connection with any Plan payments made to a guardian of a minor beneficiary or guardian of an alternate payee.

FOURTH AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") was adopted on February 28, 2001;

WHEREAS, under Section XIII of the Plan, Grand Casinos, Inc. reserved the right to amend the provisions of the Plan through action of its Board of Directors;

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, 2002;

WHEREAS, the Third Amendment to the Plan was adopted on December 30, 2003;

WHEREAS, all stock amounts held in the Starwood Stock Fund under the Plan have been liquidated and in connection with such liquidation, the Starwood Stock Fund ceased to exist under the Plan; and

WHEREAS, it has become necessary to amend the Plan in order to (i) to provide that, as a result of the liquidation of all stock amounts held under the Starwood Stock Fund, the stock distribution right of those participants with a balance in the Starwood Stock Fund shall no longer apply under the Plan; and (ii) to make other changes under the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 16.7 is amended by adding the following new sentences to the end thereof to read:

"As of August 2, 2004, all stock amounts held in the Starwood Stock Fund under the Plan have been liquidated, and the Starwood Stock Fund ceased to exist under the Plan. Effective August 2, 2004, the stock distribution right described in this Section shall no longer apply."

2. Section 18.3(b) is amended to read as follows:

"18.3 (a) The Employer shall have no liability in respect to the payment of benefits or otherwise under the Plan; and the Employer shall have no liability in respect to the administration of the Trust or of the Fund held by the Trustees, and each Participant and/or Beneficiary shall look solely to the Fund for any payments or benefits under the Plan.

(b) The payment of any benefit under the Plan to a Participant, Beneficiary, guardian of a minor Beneficiary or guardian of a minor 'alternate payee' (as defined in Code Section 414(p)(8)) shall be a full and sufficient discharge to the Trustee and the Committee for the payment thereof, and the Trustee and the Committee shall be exonerated from all liability and responsibility by reason of any amount so paid irrespective of the application or use thereof which may be made by any such Participant, Beneficiary or guardian, and the Trustee and the Committee shall have no duty to see to the application of any such amount."

3. Effective Dates.

(a) The amendment made by paragraph 2 shall be effective as of January 1, 2004.

(b) The amendment made by paragraph I shall be effective as of August 2, 2004.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Fourth Amendment to the Plan on this 31st day of December, 2004.

ATTEST: GRAND CASINOS, INC.

Carleeta Howard By: /s/ Wallace R. Barr

Title: President and CEO

FIFTH AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") was adopted on February 28, 2001;

WHEREAS, under Section XIII of the Plan, Grand Casinos, Inc. (the "Company") reserved the right to amend the provisions of the Plan;.

WHEREAS, the First Amendment to the Plan was adopted on November 21, 2001;

WHEREAS, the Second Amendment to the Plan was adopted on December 31, 2002;

WHEREAS, the Third Amendment to the Plan was adopted on December 30, 2003;

WHEREAS, the Fourth Amendment to the Plan was adopted on December 31, 2004;

WHEREAS, the Company and Harrah's Entertainment, Inc. have entered into an Agreement and Plan of Merger dated as of July 14, 2004, pursuant to which Harrah's is acquiring the Company ("the Acquisition");

WHEREAS, in connection with the Acquisition, the Company has decided to sell (a) Bally's Olympia Limited Partnership ("Bally's") to RIH Acquisitions MS II, LLC ("RIH"), and (b) Belle of Orleans, LLC ("Belle") to Wimar Tahoe Corporation (collectively, the "Hotels");

WHEREAS, as a result of the sale of Bally's to RIH (a) Bally's ceased to be a participating employer in the Plan and (b) RIH became the employer of certain individuals who were employed by Bally's on April 18, 2005 and, in connection therewith, RIH established the Resorts Hotels and Casinos 401(k) Plan ("the Resorts Plan");

WHEREAS, the employee benefit provisions of the September 27, 2004 Asset Purchase Agreement by and among Showboat Marina Casino Partnership, Tunica Partners II L.P., GNOC Corporation, Bally's, and Resorts International Holdings, LLC, provide for the transfer from the Plan to the Resorts Plan of the assets and liabilities of certain former Bally's employees who became participants in the Resorts Plan;

WHEREAS, in view of the sale of the Hotels, on March 22, 2005 the Compensation Committee of the Board of Directors of the Company decided that it would be desirable to amend the Plan to provide for full vesting of the accounts of all participants in the Plan who (a) are employed at Bally's on the closing date of the sale or (b) are employed at Belle on the closing date of the sale (collectively, the "Affected Grand 401(k) Participants"); and

WHEREAS, it is necessary to amend the Plan to provide for (a) the cessation of the Hotels as participating employers under the Plan, (b) the transfer of assets and liabilities from the Plan to the Resorts Plan with respect to certain former Bally's employees who became participants in the Resorts Plan, (c) special rules for former Bally's employees who were employed by Bally's on April 18, 2005 and by RIH on April 19, 2005, (d) full vesting of the accounts of Affected Grand 401(k) Participants, (e) changes in the mandatory distribution rules under the Plan and (f) procedural changes in connection with the transfer of a participant's Plan account balance to a plan sponsored by an Affiliate.

NOW, THEREFORE, the Plan is hereby amended as follows:

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1. Section 7.3(b) is amended to read as follows:

"(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section does not exceed $1,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $1,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment, provided that the Participant elects to receive such immediate distribution of his Vested Account Balance by filing an election with the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section exceeds $1,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment, such Participant (hereinafter referred to as a "Terminated Vested Participant") shall receive a distribution of his Vested Account Balance in accordance with paragraph (c) of this Section."

2. Section 14.1 is amended to read as follows:

"14.1 Transfers to Plans Maintained by Affiliates. If a Participant becomes employed by an Affiliate and becomes eligible to participate in a qualified defined contribution plan maintained by such Affiliate, the Participant's Account Balance (including any amounts in such Account Balance

attributable to an outstanding loan made to such Participant) shall be transferred into the qualified defined contribution plan of such Affiliate, unless otherwise requested by such Participant; provided, however, that:

(a) the terms of the defined contribution plan of such Affiliate must permit such plan to receive a direct transfer of the Participant's Account Balance, and

(b) no transfers shall be made under this Section 14.1 until the Participant is fully vested in his Matching Contribution Account."

3. The following new Article XX is added to the Plan immediately following Article XIX to read:

"ARTICLE XX

Special Provisions Pertaining to Employees of
Bally's Olympia Limited Partnership Transferring to
RIH Acquisitions MS II, LLC

20.1 General

Effective as of and from midnight on April 18, 2005, Bally's Olympia Limited Partnership ("Bally's") shall cease being a participating Employer under the Plan. Notwithstanding anything else in the Plan to the contrary, the special provisions of this Article XX shall apply to certain Participants described in this Article who were employed by Bally's on April 18, 2005 ("Bally's Participants").

20.2 Vested Interest of Bally's Participants

A Bally's Participant shall be fully vested in his Account Balance.

20.3 Contributions on Behalf of Bally's Participants

Bally's shall make any Matching Contribution to the Matching Contribution Account of a Bally's Participant that is required under the Plan and related to such Participant's Salary Deferral Contributions made with respect to Compensation earned up to and including April 18, 2005.

20.4 Account Balances of Bally's Participants

As soon as practicable following the cessation of Bally's as a participating Employer under the Plan, the entire Account Balance (including any outstanding loans) of each Bally's Participant described below shall be transferred to the Resorts Hotels and Casinos 401(k) Plan (the "Resorts Plan") for application under the terms of the Resorts Plan, and all liabilities relating to such Account Balances shall be assumed by the Resorts Plan on June 3, 2005. This Section 20.4 shall apply only to Bally's Participants who are employed by RIH on April 19, 2005, and who remain employed by RIH through May 31, 2005. All other Bally's Participants shall receive a distribution of their Account Balances in accordance with the provisions of Article VII of the Plan.

20.5 Special Loan Rules Applicable to Certain Bally's Participants

(a) If a Bally's Participant with an outstanding loan under the Plan becomes employed by RIH on April 19, 2005, the provisions of Section 9.5(b) of the Plan shall not apply to an outstanding loan of a Bally's Participant and such Bally's Participant may continue to repay principal and interest on any such outstanding loan by payroll deduction or in any other manner agreed to pursuant to Section 9.7; provided, however, that if any such Bally's Participant subsequently terminates employment with RIH prior to June 1, 2005 and has an outstanding loan under the Plan at the time of such termination of employment, such Participant's loan shall become subject to the provisions of Section 9.5(b).

(b) Until the date or dates specified in any notice of any "Blackout Period" (as defined under Section 101(i)(7) of ERISA) that occurred in' connection with the transfer of assets from the Plan to the Resorts Plan, a Bally's Participant who is employed by RIFT on April 19, 2005 and remains employed through May 31, 2005 may apply for a loan pursuant to Article IX of the Plan."

4. The following new Article XXI is added to the Plan immediately following Article XX to read:

"ARTICLE XXI

Special Provisions Pertaining to Employees of
Belle of Orleans, LLC Transferring to
Wimar Tahoe Corporation

21.1 General

Effective as of and from midnight on June 7, 2005, Belle of Orleans, LLC ("Belle") shall cease being a participating Employer under the Plan. Notwithstanding anything else in the Plan to the contrary, the special provisions of this Article XXI shall apply to certain Participants described in this Article who were employed by Belle on June 7, 2005 ("Belle Participants").

21.2 Vested Interest of Belle Participants

A Belle Participant shall be fully vested in his Account Balance.

21.3 Contributions on Behalf of Belle Participants

Belle shall make any Matching Contribution to the Matching Contribution Account of a Belle Participant that is required under the Plan and related to such Participant's Salary Deferral Contributions made with respect to Compensation earned up to and including June 7, 2005.

21.4 Account Balances of Belle Participants

Following the cessation of Belle as a participating Employer under the Plan, all Belle Participants shall receive a distribution of their Account Balances in accordance with the provisions of Article VII of the Plan."

5. Appendix A is amended to read as follows:

"APPENDIX A

Names of Employers

Plan Sponsor:

Grand Casinos, Inc. (Minnesota)

Affiliates:

BL Development Corp. (Minnesota)
Grand Casinos of Mississippi, Inc. - Biloxi (Minnesota)
Grand Casinos of Mississippi, L.L.C. - Gulfport (Minnesota)
Effective March 5, 2001, Sheraton Tunica Corporation
Effective July 9, 2001, Roman Holding Corporation of Indiana"

6. Effective Dates.

(a) The amendment made by paragraph 1 shall be effective as of March 28, 2005.

(b) The amendment made by paragraph 2 shall be effective as of January 1, 2005.

(c) The amendment made by paragraph 3 shall be effective as of April 19, 2005.

(d) The amendment made by paragraph 4 shall be effective as of June 8, 2005.

(e) The amendments made by paragraph 5 shall be effective as of April 19, 2005 with respect to Bally's Olympia Limited Partnership and June 8, 2005 with respect to Belle of Orleans, LLC.

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Fifth Amendment to the Plan on this 10th day of June, 2005.

ATTEST: GRAND CASINOS, INC.

Carleeta Howard By: /s/ Bernard E. DeLury, Jr.
Bernard E. DeLury, Jr.
Senior Vice President,
Title: General Counsel and Secretary

SIXTH AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") is maintained by Grand Casinos, Inc. (the "Company");

WHEREAS, the Company reserved the right to amend the Plan through action of its Board of Directors;

WHEREAS, Harrah's Operating Company, Inc. ("HOC") entered into an Agreement and Plan of Merger, dated July 14, 2004 (the "Merger Agreement") pursuant to which Caesars Entertainment, Inc., upon the terms and subject to the conditions set forth in the Merger Agreement, merged with and into HOC, a wholly-owned subsidiary of Harrah's Entertainment, Inc., with HOC as the surviving entity (the "Merger");

WHEREAS, in connection with the Merger, the Company, formerly a subsidiary of Caesars Entertainment, Inc., became a subsidiary of HOC;

WHEREAS, it has become necessary in connection with the Merger to amend the Plan in order to change the amendment authority under the Plan; and

WHEREAS, the Board of Directors approved the adoption of this amendment, which was mistakenly numbered as the Fourth Amendment at the time the resolutions were executed.

NOW, THEREFORE, the Plan is hereby amended effective July 19, 2005, by replacing the first sentence of paragraph (a) of Section 13.1 with the following:

> "The provisions of this Plan may be amended at any time and from time to time, by action of the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc. ("Harrah's"). Notwithstanding the foregoing, any one of the Vice President of Compensation, Benefits and HRIS of Harrah's or the Vice President of Benefits of Harrah's may effect any amendment or amendments necessary or appropriate to bring the Plan into conformity with legal requirements or to improve the administration of the Plan, provided that no such amendments may involve an increase in the cost for benefits under the Plan."

IN WITNESS WHEREOF, Grand Casinos, Inc. has executed this Sixth Amendment to the Plan on this 13th day of December, 2005.

GRAND CASINOS, INC.

By: /s/ Jeffrey Shovlin
Title: Chairman HET Administrative Committee

SEVENTH AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") is maintained by Grand Casinos, Inc. (the "Company");

WHEREAS, it is desirable to amend the Plan to provide for special hardship withdrawals by Plan participants who have been affected by Hurricane Katrina;

WHEREAS, Section 13.1 of the Plan provides that any one of the Vice President of Compensation, Benefits and HRIS of Harrah's Entertainment, Inc. or the Vice President of Benefits of Harrah's Entertainment, Inc. has the power to effect Plan amendments that are necessary or appropriate to bring the Plan into conformity with legal requirements or to improve the administration of the Plan, provided that no such amendments may involve an increase in the cost for benefits under the Plan;

WHEREAS, this amendment will improve Plan administration for the Plan Participants and is not expected to increase the cost of any Plan benefits.

NOW, THEREFORE, the Plan is hereby amended, effective as of August 30, 2005, as follows:

By adding the following as new Section 7.8A of the Plan:

"Section 7.8A Special Hardship Withdrawals for Affected Participants. An Affected Participant (as defined in subsection (e)) may take an in-service withdrawal on account of a Special Hardship (as defined in subsection (c)) in accordance with the rules established by the Committee and subject to the following:

(a) Subject to subsection (b), a Special Hardship withdrawal shall be available to an Affected Participant from the following Accounts: (i) the Rollover Contribution Account, (ii) the After Tax Contribution Account, (iii) the vested Matching Contribution Account, (iv) the Salary Contribution Account (excluding post-1988 investment earnings) and (v) the Catch-Up Contribution Account (excluding post-1988 investment earnings).

(b) An Affected Participant's aggregate Special Hardship withdrawals shall not exceed the lesser of:

(i) the total amount of his Rollover Contribution Account, After Tax Contribution Account, vested Matching Contribution Account, Salary Contribution Account (excluding post-1988 investment earnings) and Catch-Up Contribution Account (excluding post-1988 investment earnings) reduced by the unpaid amount due on his outstanding loan(s) under the Plan, and

(ii) the amount which is necessary to satisfy the Special Hardship, including any amounts necessary to pay federal, state or local income taxes or penalties reasonably anticipated to result from the Special Hardship withdrawal

(c) An Affected Participant will have a "Special Hardship" if the Vice President of Benefits of Harrah's Entertainment, Inc. determines, in his sole discretion, that the Affected Participant has an immediate and heavy financial need as a result of the damage and disruption caused by Hurricane Katrina and such need may not be relieved from other resources that are reasonably available to the Affected Participant. To the extent that the Vice President of Benefits of Harrah's Entertainment, Inc. does not have any actual knowledge to the contrary, he can rely upon the Affected Participant's representation that the need cannot reasonably be relieved:

(i) Through reimbursement or compensation by insurance or otherwise;

By liquidation of his assets, including those of his spouse and minor children that are reasonably available to him;

By stopping Salary Deferral Contributions (including Catch-up Contributions) and After Tax Contributions under the Plan;

By taking other currently available distributions or nontaxable loans from any plan; or

(v) By borrowing a sufficient amount from commercial sources on reasonable commercial terms.

(d) This Special Hardship withdrawal is provided in addition to other withdrawals and loans available under the Plan.

(e) For purposes of this Section, an "Affected Participant" shall mean a Participant who was employed at one of the casinos at the Grand Biloxi, the Grand Gulfport or the Gulfport Regional Center on August 29, 2005 and who remains an Employee on and after his Special Hardship withdrawal request."

2. By amending Section 7.9(b)(i)(D) of the Plan to read as follows:

"(D) Any distribution on account of hardship in accordance with Section 7.8 or Section 7.8A."

IN WITNESS WHEREOF, the undersigned officer of Harrah's Entertainment, Inc. hereby executes this Seventh Amendment to the Plan on this 13th day of September, 2005.

By: /s/ Nizar Jabara
Name: Nizar Jabara
Title: Vice President of Compensation, Benefits & HRSS

EIGHTH AMENDMENT
TO THE
RESTATED GRAND CASINOS
401(k) SAVINGS PLAN

WHEREAS, the Restated Grand Casinos 401(k) Savings Plan (the "Plan") is maintained by Grand Casinos, Inc. (the "Company");

WHEREAS, pursuant to the Sixth Amendment to the Plan (which was misnumbered as the Fourth Amendment), Article XIII of the Plan provides that the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc. (the "HRC") has the power to amend the Plan;

WHEREAS, it is now desirable to amend the Plan in order to provide the opportunity for participants to invest in the common stock of Harrah's Entertainment, Inc. under the Plan;

WHEREAS, it is necessary to amend the Plan to reflect changes resulting from the merger of Caesars Entertainment, Inc., the Company's parent, into Harrah's Operating Company, Inc., including updating the list of participating employers and reflecting proper service crediting; and

WHEREAS, it is necessary to amend the Plan to incorporate the automatic rollover requirements in the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows, effective as provided herein:

1. Effective June 13, 2005, by substituting the following for the first sentence of Section 1.17 of the Plan:

   "'Eligible Employee' shall mean, except as provided herein, any person who is an Employee of an Employer within a designated group at a location for which such Employer has adopted the Plan and who has completed Six Months of Eligibility Service."

2. Effective June 13, 2005, by substituting the following for Section 1.19 of the Plan:

   "1.19 'Employer' shall mean the Company and any Affiliate which adopts the Plan with respect to one or more locations. Appendix A hereto sets forth the names of all Employers and the locations for which they have adopted the Plan."

3. Effective January 1, 2006, by adding the following as new Section 1.23A to the Plan:

   "1.23A 'Harrah's Stock' shall mean shares of common stock of Harrah's Entertainment, Inc., par value $0.10 per share."

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4. Effective January 1, 2006, by adding the following as new Section 1.23B to the Plan:

   "1.23B 'Harrah's Stock Fund' shall mean the Investment Fund which holds Harrah's Stock as an investment under Section 5.6."

5. Effective June 13, 2005, by adding "or Affiliate" after the term "Employer" wherever it appears in Section 1.25 of the Plan.

6. Effective January 1, 2006, by adding the new subsection 1.25(d) of the Plan:

   "(d) For any salaried Employee who is exempt for purposes of the Fair Labor Standards Act, Hours of Service shall be determined based on such Employee's payroll frequency. The following number of Hours of Service shall be credits based on the appropriate payroll frequency:

Units of time	Hours of Service
day	10 hours
week	45 hours
semi-monthly	95 hours
monthly	190 hours."

7. Effective June 13, 2005, by adding the following as Section 1.25A to the Plan:

   "1.25A 'HRC' shall mean the Human Resources Committee of the Board of Directors of Harrah's Entertainment, Inc."

8. Effective June 13, 2005, by adding the following as Section 1.25B to the Plan:

   "1.25B 'Investment Committee' shall mean the committee appointed by the HRC to exercise the responsibilities set forth in Section 5.3."

9. Effective January 1, 2006, by substituting the following for Section 1.26 of the Plan:

   "1.26 'Investment Funds' means the Investment Funds available under the Plan, including the Harrah's Stock Fund and other Investment Funds provided for in Section 12.2 of the Plan."

10. Effective June 13, 2005, by adding the following as new Section 1.46(h) of the Plan:

"(h) Any Employee's service with Harrah's Entertainment, Inc. or any entity that is treated as a member of its controlled group under Code Section 414(b), (c) or (m) that occurred prior to June 13, 2005 (without regard to any Breaks in Service) shall be treated as employment as an Employee for purposes of calculating 'Six Months of Eligibility Service' under the Plan; provided however that any such individual must be actually employed by an Employer to become an Eligible Employee in the Plan."

11. Effective June 13, 2005, by adding the following as new Section 1.47(i) of the Plan:

"(i) Any Employee's service with Harrah's Entertainment, Inc. or its any entity that is treated as a member of its controlled group under Code Section 414(b), (c) or (m) that occurred prior to June 13, 2005 (without regard to any Breaks in Service) shall be treated as employment as an Employee for purposes of calculating a 'Year of Service'."

12. Effective June 13, 2005, by substituting the following for the last sentence of Section 3.8(e)(iii) of the Plan:

"If the Participant is entitled to receive an additional Matching Contribution under Section 3.2(b), such additional Matching Contribution shall be made by the Employer who employs the Participant as an Eligible Employee on the last day of the Plan Year. If, on the last day of the Plan Year, the Participant is not an Eligible Employee of his Employer, the additional Matching Contribution, if any, allocable to such Participant will be made by the Employer that employed the Participant as an Eligible Employee in that Plan Year."

13. Effective June 13, 2005, by substituting the following for Section 5.2(c) of the Plan:

"(c) The selection of any Investment Fund is the sole and exclusive responsibility of each Participant and its intended that the selection of an Investment Fund by each Participant be within the parameters of Section 404(c) of ERISA and the regulations thereunder. None of the Employers, nor the Trustee, nor any Committee or Investment Committee member, nor any of the directors, officers, agents or Employees of the Employers are empowered to or shall be permitted to advise a Participant as to the manner in which his Account Balance shall be invested or changed. No liability whatsoever shall be imposed upon the Employers, the Trustee, any Committee or Investment Committee member, or any director, officer, agent or Employee of an Employer for any loss resulting to a Participant's account because of (i) any sale or investment directed by a Participant under this Section, (ii) the Participant's failure to take any action regarding an investment acquired pursuant to such elective investment, or (iii) for the Participant's failure to make effective investment election. If the Participant fails or declines to make an effective investment election, the Participant's Accounts shall be held in one or more default Investment Funds, other than the Harrah's Stock Fund, as selected by the Investment Committee."

14. Effective June 13, 2005, by adding the following as new Section 5.3 of the Plan:

"5.3 Investment Committee

(a) The Investment Committee:

(i) has the responsibility and authority to evaluate, select and remove the Investment Funds, other than the Harrah's Stock Fund;

(ii) has the authority to appoint and remove an investment manager (within the meaning of Section 3(38) of ERISA);

(iii) is entitled to vote proxies or exercise any shareholder rights relating to shares held on behalf of the Plan in a registered investment company;

(iv) has the authority to retain and dismiss investment advisors and other consultants;

(v) may exercise its authority with respect to other powers granted under the Plan or the Trust Agreement;

(vi) may delegate its authority and responsibilities as permitted by law; and

(vii) may otherwise deal with the Trustee with respect to the Fund.

(b) Members of the Investment Committee will serve without compensation. However, reasonable expenses of the Investment Committee may be paid by the Plan to the extent they are not paid by the Company."

15. Effective January 1, 2006, by adding the following as new Sections 5.4, 5.5, 5.6 and 5.7 of the Plan:

"5.4 Participants Have Right to Vote and Tender Harrah's Stock. Each Participant shall be entitled to instruct the Trustee as to the voting or tendering of any full or partial shares of Harrah's Stock held on his behalf under the Plan in the Harrah's Stock Fund. Prior to such voting or tendering of Harrah's Stock, each Participant shall receive a copy of the proxy solicitation or other material relating to such vote or tender decision and a blank form for the Participant to complete which confidentially instructs the Trustee to vote or tender such shares in the manner indicated by the Participants. Upon receipt of such instructions, the Trustee shall act with respect to such shares as instructed. Neither the Investment Committee nor the Trustee shall vote or tender any shares for which instructions are not received from Participants. To the extent that any Beneficiary controls the investment of an account under the Plan, he will have the rights a Participant has under this section.

5.5 Registration and Disclosure for Harrah's Stock. The Investment Committee shall be responsible for determining the applicability of (and, if applicable, complying with) the requirements of the Securities Act of 1933, as amended, and any other applicable blue sky law. The Investment Committee shall also specify what restrictive legend or transfer restriction, if any, is required to be set forth on the certificates for the securities and the procedure to be followed by the Trustee to effectuate a resale of such securities.

5.6 Harrah's Stock Fund.

(a) The Harrah's Stock Fund shall be at all times one of the Investment Funds available under the Plan. The Harrah's Stock Fund shall be invested primarily in shares of Harrah's Stock (except that the Harrah's Stock Fund may be invested in rights, warrants and options issued with respect to Harrah's Stock (to the extent permitted by the Code and ERISA as determined by the Investment Committee)). Dividends paid on shares of Harrah's Stock held in the Harrah's Stock Fund, if any, shall be reinvested and used to purchase additional shares of Harrah's Stock.

(b) The assets of the Harrah's Stock Fund shall be valued in accordance with the applicable provisions in the Trust Agreement and Section 5.7 of the Plan. The Committee shall determine the manner in which the interests of the Accounts of Participants in the Harrah's Stock Fund shall be denominated.

(c) No dividend payable on Harrah's Stock shall constitute an annual addition for purposes of Section 4.7**;** deferral for purposes of Section 4.1 (relating to the Code section 402(g) limit); a deferral for purposes of Section 4.3 (relating to the actual deferral percentage test); or a contribution for purposes of Section 4.5 (relating to the Actual Contribution Percentage Test).

(d) The Plan is an 'eligible individual account plan', as defined in ERISA Section 407(d)(3), and provides for the acquisition and holding of "qualifying employer securities" as defined in ERISA Section 407(d)(5).

5.7 Harrah's Stock Valuation. Notwithstanding the foregoing provisions, in all cases the valuation provisions of this Plan and the Trust Agreement, including the selection of a valuation date for any purpose under this Plan, shall be interpreted and applied in a manner consistent with the applicable requirements under Code Sections 409 and 4975(e)(7), the regulations issued thereunder, and any related or successor statutes or regulations, that must be satisfied in order to qualify for the prohibited transaction exemption under Code Section 4975(d)(3). In this connection, all valuations of Harrah's Stock contributed to or acquired by the Plan which at the time of such valuation is not readily tradable on an established securities market within the meaning of Code Section 401(a)(28) shall be made by an independent appraiser (within the meaning of Code Section 170(a)(1)), whose name shall be reported to the Internal Revenue Service."

16. Effective for distributions made on or after March 28, 2005, Section 7.3(b) of the Plan is hereby amended to read in its entirety as follows:

"(b) The Participant's Vested Account Balance to which he shall be entitled under paragraph (a) of this Section shall be distributed as follows:

(i) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is less than $200, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment.

(ii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is at least $200 but not greater than $5,000, such Participant shall receive a distribution of such Vested Account Balance in a lump sum cash payment as soon as practicable following his Termination of Employment or, if elected by the Participant, in a Direct Rollover described in Section 7.9; provided, however, if the Participant's Vested Account Balance is greater than $1,000 but not greater than $5,000 and the Participant fails to make an election, the Committee shall distribute the Participant's Vested Account Balance in a Direct Rollover pursuant to Section 7.9 to an individual retirement account (described in Code Section 408(a) or an individual retirement annuity (described in Code Section 408(b)) designated by the Committee.

(iii) If the value of the Participant's Vested Account Balance under paragraph (a) of this Section is greater than $5,000 and if such Participant does not elect to receive an immediate distribution of such Vested Account Balance in a lump sum cash payment or a Direct Rollover described in Section 7.9, such Participant (hereinafter referred to as a 'Terminated Vested Participant') shall receive a distribution of his Vested Account Balance in accordance with paragraph (c) of this Section.

If such Participant should die prior to receiving distribution of his Vested Account Balance, the Participant's Beneficiary shall receive a distribution of such Participant's Vested Account Balance in accordance with paragraph (c) of this Section."

17. Effective June 13, 2005, by adding the following as new Section 11.1(b)(iii) of the Plan:

"(iii) The Investment Committee established to manage and control the assets of the Plan as set forth in Section 5.3."

18. Effective June 13, 2005, by substituting the following for Section 11.3(c) of the Plan:

"(c) The Investment Committee may appoint an Investment Manager or Managers to manage, acquire and dispose of any assets of the Plan. Any such Investment Manager shall be an investment manager within the meaning of ERISA Section 3(38). The appointment of any such Investment Manager shall not be effective until such Investment Manager has acknowledged in writing that it is a Fiduciary with respect to the Plan."

19. Effective June 13, 2005, by substituting the following for the address at Section 11.9(e):

"Harrah's Entertainment, Inc.
c/o Corporate Benefits Department
One Harrah's Court
Las Vegas, NV 89119."

20. Effective June 13, 2005, by substituting the following for Section 12.2 of the Plan:

"12.2 Investment Fund. The Fund shall be composed of the Harrah's Stock Fund and any other Investment Funds designated by the Investment Committee consisting of amounts in Participants' Salary Deferral Contributions Accounts, Matching Contributions Accounts, After Tax Contribution Accounts and Rollover Contributions Accounts and the earnings thereon that accrue from time to time."

21. Effective June 13, 2005, by replacing Appendix A with the following:

"APPENDIX A

Names of Employers & Locations

Each Employer listed below has adopted the Plan for all Eligible Employees at each of its locations unless indicated otherwise.

Grand Casinos, Inc.

BL Development Corp. – Grand Tunica

Grand Casinos of Mississippi, Inc. – Grand Biloxi

Sheraton Tunica Corporation

Grand Casinos of Mississippi, LLC – Regional, Grand Gulf

Harrah's Entertainment, Inc. – Effective January 1, 2006, the group of Eligible Employees consists solely of those salaried employees who perform services at any Grand Casino property and who are required to be covered by this Plan in connection with the Agreement and Plan of Merger, dated July 14, 2004, of Caesar's Entertainment, Inc. into Harrah's Entertainment, Inc."

IN WITNESS WHEREOF, the undersigned officer of Harrah's Entertainment, Inc. hereby certifies that the HRC duly adopted this Eighth Amendment to the Plan on December 15, 2005.

By: /s/ Nizar Jabara
Name: Nizar Jabara
Title: Vice President of Compensation, Benefits & HRSS