

Project Julii

First Lien Creditor Discussion Materials

September 12th, 2014

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I. Introduction

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A: Financial Outlook

CEOC's capital structure is limiting its ability to reinvest in its business.

- ▶ CEOC is a best-in-class gaming company with a large geographic footprint across the U.S.
 - Superior business model driven by integrated multi-channel distribution network and industry-leading loyalty program
 - Brands that are the most widely recognized in the industry
- ▶ However, while CEOC has outperformed its peers, fundamentals have deteriorated and CEOC's capital structure is over-levered
 - Current free cash flow is approximately -\$1bn a year
 - Liquidity challenges in 2016 with debt maturities
 - 17.9x leverage
 - 0.5x Fixed Charge ratio

Summary Financials

CEOC is over-levered (17.9x) and its interest burden results in significant cash burn (~\$1bn a year).

- ▶ Even if CEOC refinanced debt maturities, the interest burden is too high leaving the company with negative free cash flow
- ▶ Absent a restructuring, CEOC will face significant liquidity challenges in 2016

CEOC Summary Capital Structure (\$ in millions)	Interest		Credit Metrics			
	Face Value	%	\$	Debt /	EBITDA	EBITDA /
		EBITDA		/ Interest	(CapEx + Int.)	
Bank Debt	\$5,364	7.67%	\$411	5.2x	2.5x	1.6x
First Lien	6,345	9.64%	612	11.4x	1.0x	0.8x
Second lien	5,252	10.39%	546	16.5x	0.7x	0.6x
Guaranteed Senior Notes	495	10.82%	54	17.0x	0.6x	0.6x
Unsecured / Other ⁽¹⁾	969	7.17%	69	17.9x	0.6x	0.5x
Total Debt	\$18,425		\$1,692	17.9x	0.6x	0.5x

Free Cash Flow Profile

(\$ in millions)

EBITDA	\$1,029
CapEx	(231)
Other & Non-Operating	(73)
UFCF	\$725
Interest	(1,692)
FCF	(\$968)

Detailed Capital Structure

CEOC Detailed Capital Structure					Credit Metrics		
(\$ in millions)	Face Value	Maturity	Interest		Debt / EBITDA	EBITDA / Interest	EBITDA / (CapEx + Int.)
			%	\$			
Term Loan B-4	\$377	10/31/16	L+8.50%	\$40			
Term Loan B-5	938	01/28/18	L+5.75%	60			
Term Loan B-6	2,299	01/28/18	L+6.75%	170			
Term Loan B-7	1,750	01/28/18	L+7.50%	142			
Total Bank Debt	\$5,364			\$411	5.2x	2.5x	1.6x
First Lien Notes	2,095	06/01/17	11.25%	236			
First Lien Notes	1,250	02/15/20	8.50%	106			
First Lien Notes (Aug. & Dec. 2012)	1,500	02/15/20	9.00%	135			
First Lien Notes (Feb. 2013)	1,500	02/15/20	9.00%	135			
Total Senior Secured Debt	\$11,709			\$1,023	11.4x	1.0x	0.8x
Second Priority Notes	–	12/15/15	10.00%	–			
Second Priority Notes	4,502	12/15/18	10.00%	450			
Second Priority Notes	750	04/15/18	12.75%	96			
Total Secured Debt	\$16,961			\$1,569	16.5x	0.7x	0.6x
Guaranteed Senior Notes (Cash)	479	02/01/16	10.75%	52			
Guaranteed Senior Notes (Toggle)	16	02/01/18	11.50%	2			
Total Contractually Senior Debt	\$17,456			\$1,623	17.0x	0.6x	0.6x
Senior Notes ⁽¹⁾	297	06/01/16	6.50%	19			
Senior Notes ⁽¹⁾	234	10/01/17	5.75%	13			
Clark County Bonds	47	06/01/37	5.30%	2			
Capital Lease / Other Misc	62	12/31/16	6.00%	4			
Chester Downs Notes	330	02/01/20	9.25%	31			
Total CEOC Debt	\$18,425			\$1,692	17.9x	0.6x	0.5x
					16.4x		

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B: Business Overview

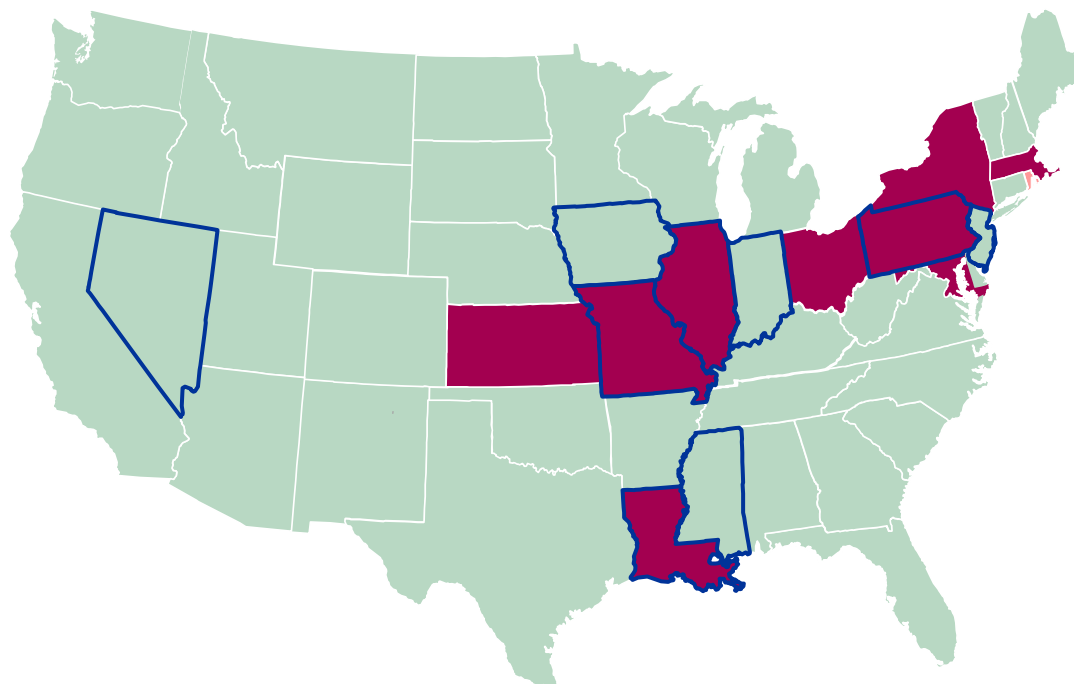
The US gaming industry witnessed unprecedented liberalization in new jurisdictions between 2008 and 2012, significantly impacting Caesars' incumbent markets (particularly Atlantic City).

State

- Illinois
- Louisiana
- Maryland
- Massachusetts
- Missouri
- New York
- Ohio
- Pennsylvania
- Rhode Island
- Kansas

Casino Gaming Liberalization Legislation since 2007

- Gaming expansion bills (2010, 2011, and 2012)
- 2011 award of new gaming license
- 2008 constitutional amendment to allow casinos; 2012 referendum to expand gaming
- 2011 legislation to allow destination casinos in the state
- 2010 award of new gaming license
- 2013 referendum approving expansion of casino gambling in the state, including Aqueduct and Yonkers
- 2009 referendum to allow four new casinos in the state (two of which are managed by Caesars)
- 2010 legalization of table games
- 2012 referendum allowing table games
- 2012 expansion and property openings



Legend

- Caesars' existing markets as of 2007
- States with significantly liberalized gaming legislation since 2007

In addition, unprecedented new supply in existing jurisdictions, particularly in Las Vegas, presented further challenges to Caesars' operations.

Five largest additions to existing markets since 2007:

<u>Property</u>	<u>Market</u>	<u>Construction cost</u>
– City Center	Las Vegas	\$9.2 billion
– Cosmopolitan	Las Vegas	\$3.9 billion
– Revel	Atlantic City	\$2.4 billion
– Encore	Las Vegas	\$2.3 billion
– Palazzo	Las Vegas	\$1.8 billion

Total construction cost = ~\$20 billion

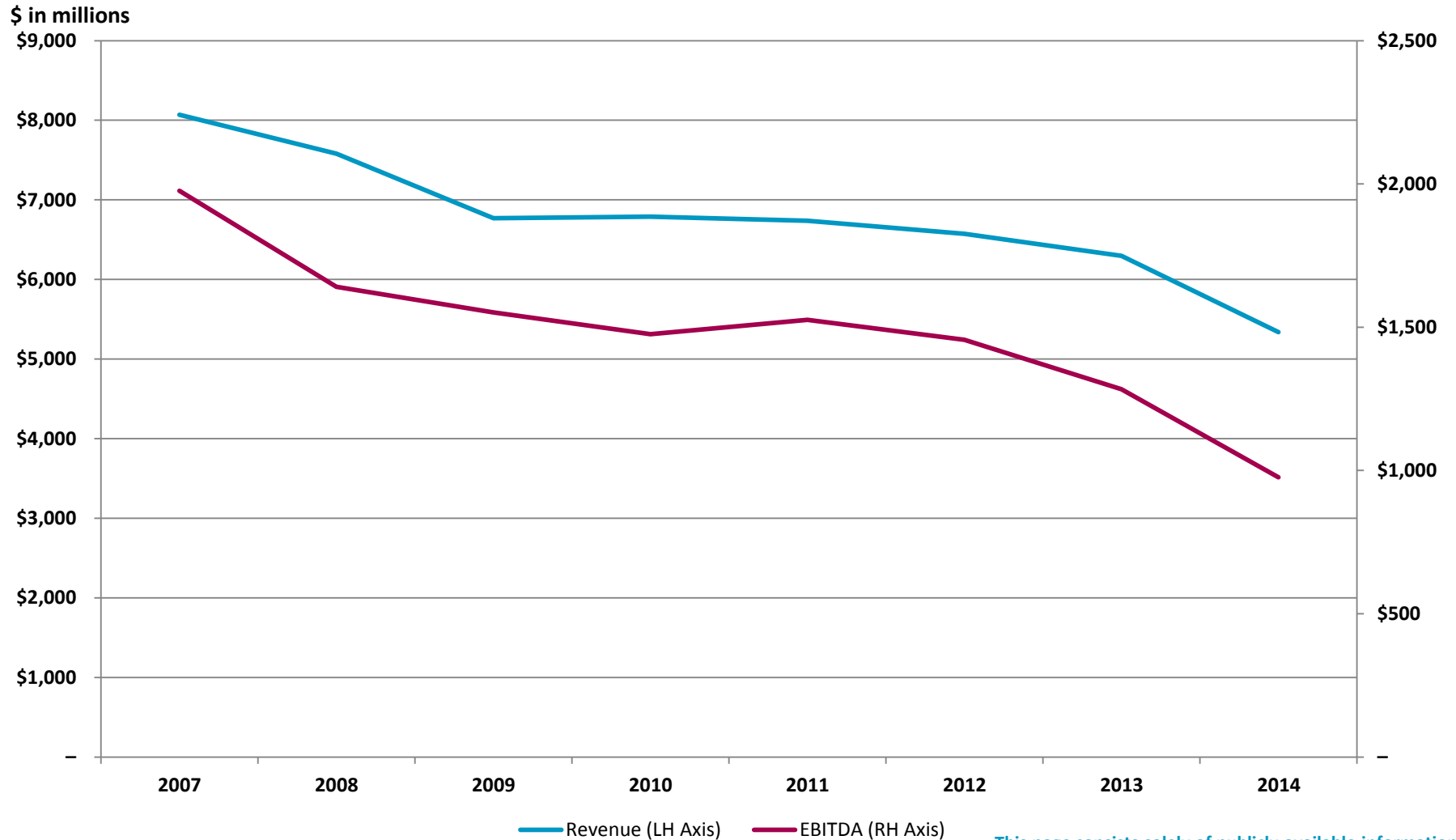
New Competitive Impacts in Last Five Years

Along with these five largest openings, numerous casinos have been opened across the US.

Market	Property	Opening Date	Operator / Owner
2008 Openings			
Pennsylvania	Penn National	2/12/2008	PENN
Southern Indiana/Illinois	Indiana Grand Casino	6/1/2008	Private
Southern Indiana/Illinois	Hoosier Park	6/2/2008	Private
Las Vegas Strip	Encore	12/22/2008	WYNN
2009 Openings			
Pennsylvania	Sands Bethlehem	5/22/2009	LVS
Pennsylvania	Rivers (downtown Pitt.)	8/9/2009	Private
Las Vegas Strip	Aria	12/16/2009	MGM
2010 Openings			
St Louis	River City	3/4/2010	PNK
Pennsylvania	Sugarhouse	9/23/2010	Private
Las Vegas Strip	Cosmopolitan	12/15/2010	Private
2011 Openings			
Chicago Land (ALL)	Rivers	7/18/2011	Private
Atlantic City	Resorts World Aqueduct Casino	10/28/2011	Genting
2012 Openings			
North Kansas City	Hollywood - Kansas Speedway	2/12/2012	PENN
Pennsylvania	Valley Forge Casino	3/31/2012	Private
Atlantic City	Revel	4/2/2012	Private
Ohio	Horseshoe - Cleveland	5/14/2012	CEOC
Gulf Coast	Margaritaville Biloxi	5/22/2012	Margaritaville
Ohio	Hollywood - Toledo	5/29/2012	PENN
Ohio	Scioto Downs	6/1/2012	MTR Gaming
Maryland	Maryland Live!	6/6/2012	Cordish
New Orleans	L"Auberge BR	9/1/2012	PNK
Ohio	Hollywood - Columbus	10/8/2012	PENN
Missouri	Isle of Capri - Cape Girardeau	10/30/2012	ISLE
2013 Openings			
Ohio	Horseshoe - Cincinnati	3/4/2013	CEOC
Ohio	Thistledown Racino	4/8/2013	CEOC
NWLA	Margaritaville Bossier	6/15/2013	Margaritaville
Ohio	Miami Valley Gaming - Lebanon	12/12/2013	MVG
Ohio	Hard Rock Rocksino - Northfield Park	12/18/2013	Hard Rock
2014 H1 Openings			
Ohio	Belterra Park	5/1/2014	PNK

CEOC Net Revenue and EBITDA Trends

This difficult competitive landscape along with an economic downturn have caused CEOC net revenue and EBITDA to trend downwards with Atlantic City driving much of the decline.



Fair-Share Premium

Despite the tough operating conditions, CEOC properties have approximately a 20% fair-share premium over the market.

Region	TTM GGR	GGR%	Positions	Positions %	Fair Share
Chicagoland					
CEOC	\$683,182,214	32%	5,040	30%	108%
Non-CEOC	1,431,869,383	68%	11,840	70%	97%
Market	\$2,115,051,597	100%	16,879	100%	
NWLA					
CEOC	\$272,437,160	42%	2,890	34%	122%
Non-CEOC	380,734,421	58%	5,544	66%	89%
Market	\$653,171,581	100%	8,434	100%	
NKC					
CEOC	\$177,428,945	29%	1,789	24%	125%
Non-CEOC	427,454,638	71%	5,803	76%	92%
Market	\$604,883,583	100%	7,592	100%	
Southern IN / IL					
CEOC	\$350,746,109	24%	3,485	23%	105%
Non-CEOC	1,130,855,008	76%	11,961	77%	99%
Market	\$1,481,601,117	100%	15,446	100%	
Reno					
CEOC	\$56,476,351	13%	954	11%	121%
Non-CEOC	384,614,649	87%	8,030	89%	98%
Market	\$441,091,000	100%	8,985	100%	

Region	TTM GGR	GGR%	Positions	Positions %	Fair Share
Tunica					
CEOC	\$312,940,459	42%	4,423	33%	129%
Non-CEOC	425,662,149	58%	9,053	67%	86%
Market	\$738,602,609	100%	13,476	100%	
Gulf Coast					
CEOC	\$68,611,058	6%	941	6%	115%
Non-CEOC	997,555,867	94%	15,816	94%	99%
Market	\$1,066,166,924	100%	16,757	100%	
Las Vegas					
Caesars Palace	\$640,286,134	10%	2,253	4%	265%
Non-CEOC	5,852,565,443	90%	58,208	96%	94%
Market	\$6,492,851,576	100%	60,460	100%	
Tahoe					
CEOC	\$167,973,560	81%	2,331	64%	128%
Non-CEOC	38,569,440	19%	1,324	36%	52%
Market	\$206,543,000	100%	3,655	100%	
Atlantic City					
CEOC	\$763,569,629	27%	8,607	26%	105%
Non-CEOC	2,079,586,801	73%	24,913	74%	98%
Market	\$2,843,156,430	100%	33,520	100%	

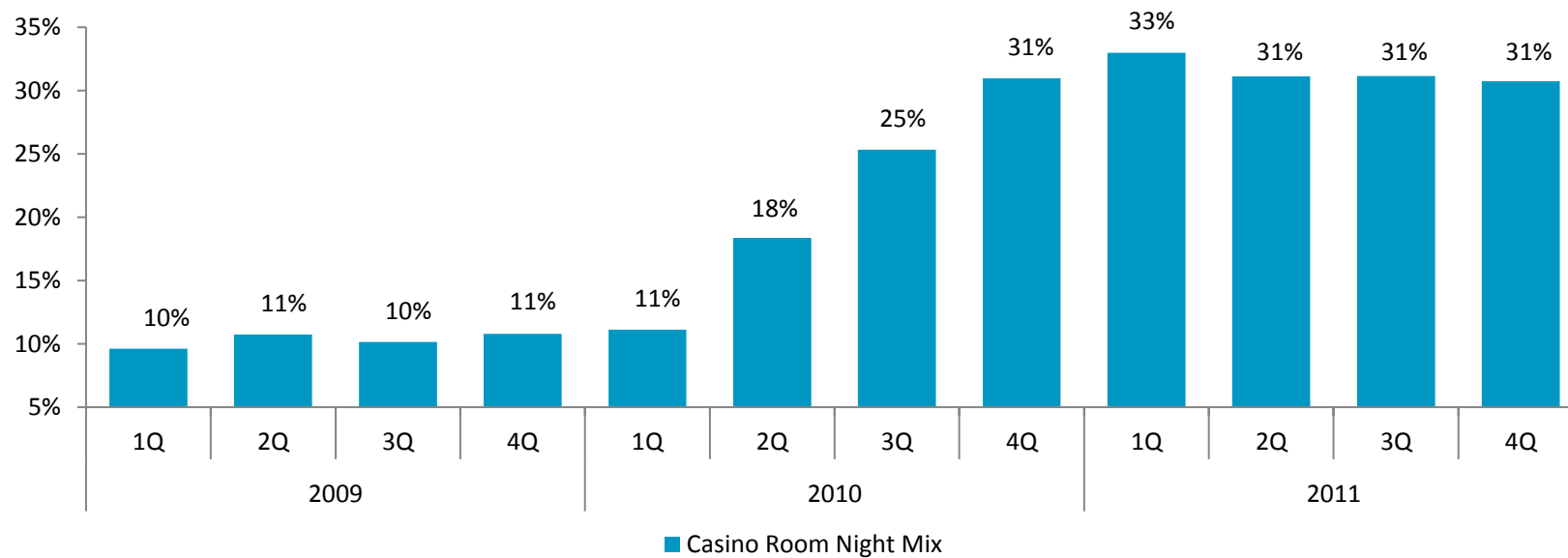
Planet Hollywood Case Study

As proven by the Planet Hollywood acquisition, access to the Caesars network creates value.

▶ Planet Hollywood performance improved significantly after its acquisition by Caesars

- Room Night Mix improved to by 21%
- Net Revenue increased by 33% to \$307mm
- EBITDA Margin increased 2.5x to 18%

(\$ in millions)	2009	1Q12 LTM		Improvement
	(Pre - CZR)	(Post CZR)		
Casino Room Night Mix	10.3%	31.5%		21.2%
Gaming Revenue	\$112	\$167		\$55
Net Revenue	\$231	\$307		\$76
EBITDA Margin	11.9%	29.9%		18.0%



B: Business Overview

Prepared at the Direction of Counsel

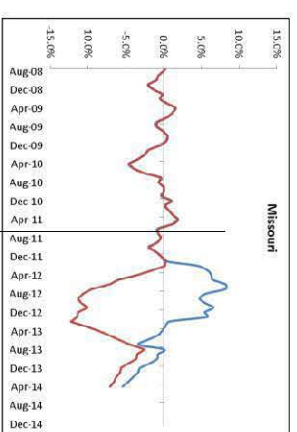
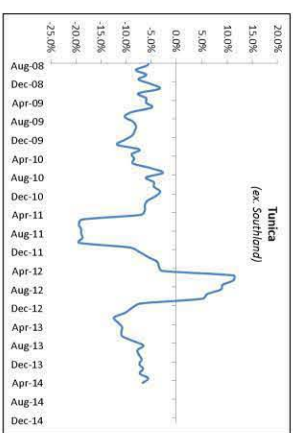
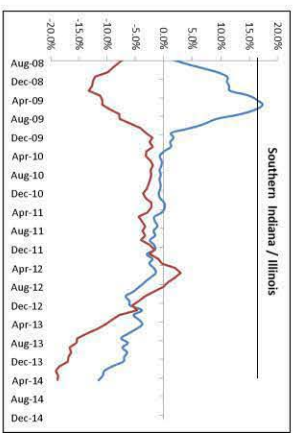
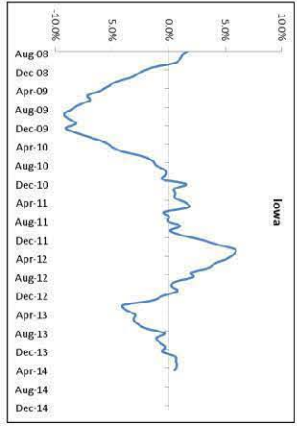
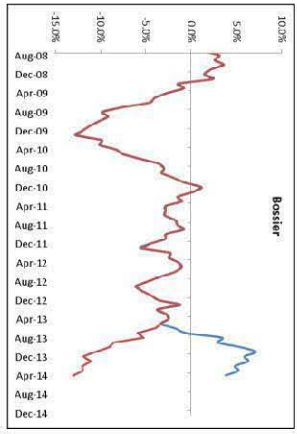
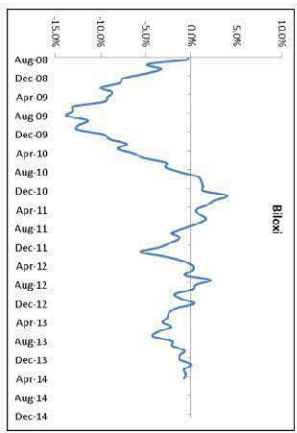
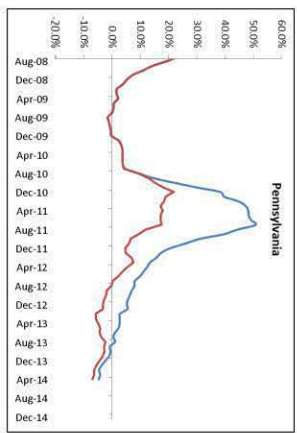
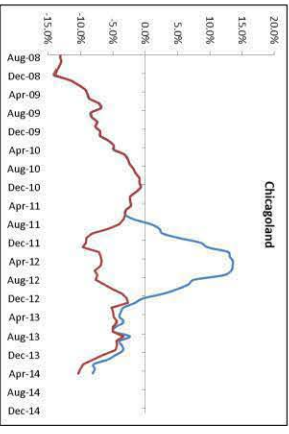
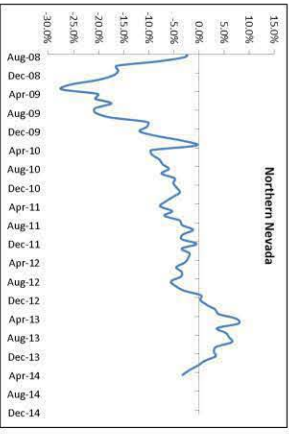
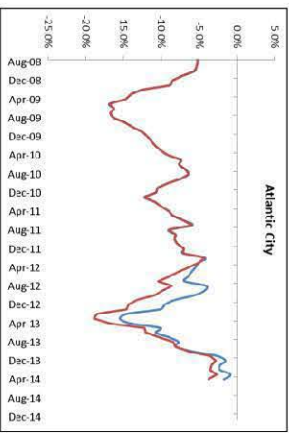
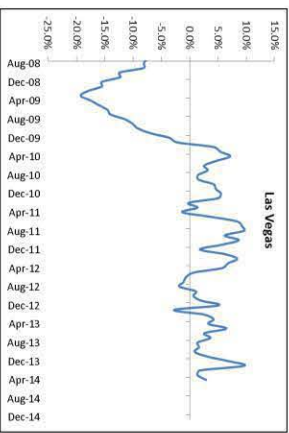
CEOC Property Summary Statistics

For Settlement Purposes Only

Property Location	Property Name	Ownership	Casino Description	Hotel Rooms/ Suites	Casino			Restaurants		Meeting/ Convention Sq. Ft.
					Square Footage	Slot Machines	Table Games	Owned	3rd Party	
Wholly Owned Properties										
Domestic										
Las Vegas, Nevada	Caesars Palace	Owned	Land-based	4,253	139,229	1,314	186	12	2	300,000
Tunica, Mississippi	Harrah's Tunica (Closed)	Owned	Dockside	1,356	136,000	1,281	66	3	4	28,000
Atlantic City, New Jersey	Caesars Atlantic City	Owned	Land-based	1,141	111,786	2,096	145	4	2	28,590
Atlantic City, New Jersey	Showboat Atlantic City	Owned	Land-based	1,329	108,869	2,181	113	6	3	37,103
Chicago, Illinois area	Horseshoe Hammond (Indiana)	Owned	Dockside	–	108,152	2,965	155	4	1	4,566
Atlantic City, New Jersey	Bally's Atlantic City	Owned	Land-based	1,746	105,684	2,080	139	4	5	63,589
Southern Indiana	Horseshoe Southern Indiana	Owned	Dockside	503	86,600	1,732	105	6	2	24,000
Council Bluffs, Iowa	Horseshoe Council Bluffs	Owned	Casino / Greyhound Racing	–	78,811	1,611	72	3	–	–
Tunica, Mississippi	Horseshoe Tunica	Owned	Dockside	507	63,000	1,276	87	4	1	20,450
North Kansas City, Missouri	Harrah's North Kansas City	Owned	Dockside	392	60,133	1,496	61	3	1	10,000
Lake Tahoe, Nevada	Harrah's Lake Tahoe	Owned	Land-based	512	45,136	830	74	8	3	18,000
Lake Tahoe, Nevada	Harvey's Lake Tahoe	Owned	Land-based	742	44,180	740	72	6	3	19,000
Reno, Nevada	Harrah's Reno	Owned	Land-based	928	40,200	746	36	3	3	21,765
Mississippi Gulf Coast	Grand Casino Biloxi	Owned	Dockside	494	31,275	754	32	5	–	–
Tunica, Mississippi	Tunica Roadhouse Hotel & Casino	Owned	Dockside	134	31,000	748	26	1	–	–
Metropolis, Illinois	Harrah's Metropolis	Owned	Dockside	258	30,985	1,150	27	3	–	12,000
Bossier City, Louisiana	Horseshoe Bossier City	Owned	Dockside	604	29,332	1,366	73	3	1	21,594
Council Bluffs, Iowa	Harrah's Council Bluffs	Owned	Land-based	251	25,000	587	18	3	–	–
Bossier City, Louisiana	Louisiana Downs	Owned	Land-based / Thoroughbred Racing	–	11,976	1,052	–	2	1	28,930
Paducah, Kentucky	Bluegrass Downs	Owned	Harness Racing Facility	–	–	–	–	–	–	–
International										
United Kingdom	The Casino at the Empire (LCI)	Owned	Land-based	–	20,942	120	45	2	–	–
United Kingdom	Alea Glasgow (LCI)	Owned	Land-based	–	15,000	54	32	1	–	–
United Kingdom	Manchester235 (LCI)	Owned	Land-based	–	11,542	43	44	2	–	–
United Kingdom	Alea Nottingham (LCI)	Owned	Land-based	–	10,000	50	20	–	–	–
United Kingdom	Rendezvous Southend-on-Sea (LCI)	Owned	Land-based	–	8,654	48	23	1	–	–
United Kingdom	Rendezvous Brighton (LCI)	Owned	Land-based	–	7,756	72	31	1	–	–
United Kingdom	Playboy Club London (LCI)	Owned	Land-based	–	6,216	25	20	1	–	–
United Kingdom	The Sportsman (LCI)	Owned	Land-based	–	5,220	41	20	1	–	–
United Kingdom	Golden Nugget (LCI) (Closed)	Owned	Land-based	–	5,116	50	20	1	–	–
United Kingdom	Alea Leeds (LCI) (Closed)	Owned	Land-based	–	–	–	–	–	–	–
Partially Owned Properties										
Domestic										
Chester, Pennsylvania	Harrah's Philadelphia	Partially owned	Land-based / Harness Racing	–	112,627	2,800	126	4	1	12,000
Chicago, Illinois area	Harrah's Joliet (Illinois)	Partially owned	Dockside	204	38,860	1,133	34	3	–	6,110
International										
Punta del Este, Uruguay	Conrad Punta del Este Resort and Casino	Partially owned	Land-based	–	–	–	–	–	–	–
South Africa	Emerald Safari (LCI)	Partially owned	Land-based	186	37,674	546	36	5	4	3,213
Managed Properties										
Domestic										
Cherokee, North Carolina	Harrah's Cherokee	Managed	Indian Reservation	1,108	176,754	3,681	154	6	–	16,626
Cincinnati, Ohio	Horseshoe Cincinnati	Managed	Land-based	–	100,000	1,991	119	2	2	33,000
Cleveland, Ohio	Horseshoe Cleveland	Managed	Land-based	–	96,000	1,781	119	1	3	–
San Diego, California	Harrah's Rincon	Managed	Indian Reservation	662	72,865	1,713	70	7	–	42,914
Cleveland, Ohio	Thistledown Racetrack	Managed	Land-based	–	71,680	1,151	–	4	–	–
Phoenix, Arizona	Harrah's Ak-Chin	Managed	Indian Reservation	300	48,793	1,107	27	4	1	9,441
International										
Ontario, Canada	Caesars Windsor	Managed	Land-based	758	100,000	2,266	86	4	1	75,918
Beirut, Lebanon	Casino Du Liban (LCI)	Managed	Land-based	–	28,191	602	60	–	–	–
Egypt	Caesars Cairo (LCI)	Managed	Land-based	–	5,476	29	23	–	–	–
Egypt	The London Clubs Cairo-Ramses (LCI)	Managed	Land-based	–	2,740	40	17	–	–	–

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Detailed Market Trends



Total Market GGR Growth

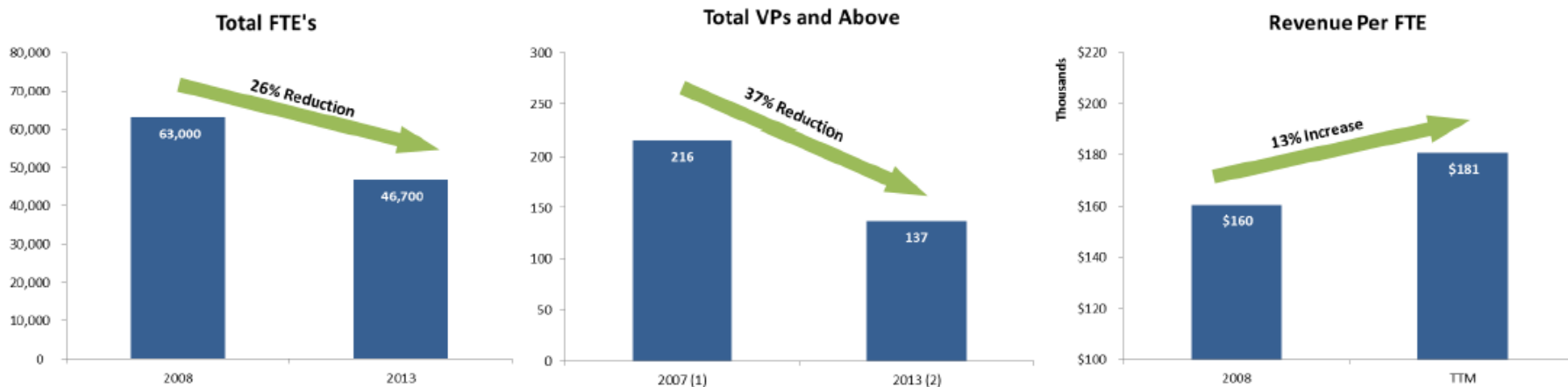
Same Store GGR Growth

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Note: YOY rolling 6 month GGR growth.

CEO has reduced costs and increased productivity despite the challenging economic environment.

- ▶ Management has taken significant steps to offset weakness in the core business
 - Project Renewal and other cost savings programs launched at the beginning of 2013 have delivered measurable results
 - Actions targeted at improving property cost structure have been successful in reducing headcount and improving productivity, while maintaining strong service scores



Note: all Figures exclude Ohio properties.

(1) Represents grade M70 and above employees.

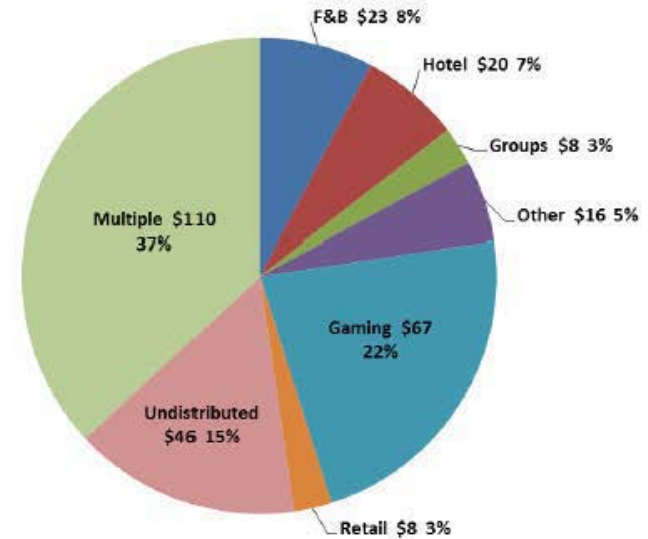
(2) Represents grade 16 and above employees.

CEOC's 5+5 initiative has been very successful in reducing costs and improving profitability

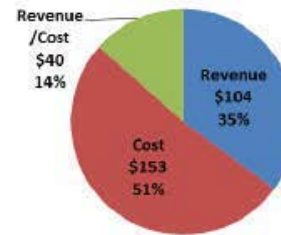
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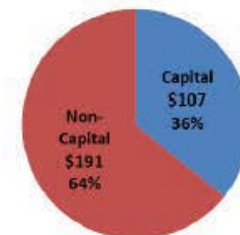
Vertical



Revenue / Cost



Capital / Non-Capital



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II. Review of Goals & Proposals

Review of Goals**Company Goals**

- ▶ Restructuring now instead of waiting until 2016
- ▶ Achieve a consensual out-of-court restructuring with support from all creditor groups
- ▶ Provide all stakeholders with a better financial outcome than what is realistically obtainable in a chapter 11 case lacking consensus
- ▶ Enhance CEOC's stability and financial resources
- ▶ Include contributions to the restructuring from CEC based upon the relative benefits it receives
- ▶ Resolve litigation claims

Creditor Goals

- ▶ Fast process to complete a restructuring
- ▶ Consensual agreement with First Liens, Second Liens and Unsecureds
- ▶ Obligor necessary to CEC
 - Linkage
 - Strategic and financial importance
- ▶ Viable obligor in CEOC
 - Cash runway
 - Positive cash flow after debt service
- ▶ First Lien currency
 - Cash
 - Notes that can be serviced by CEOC and that are liquid and tradable
- ▶ Flexibility regarding implementation

Review of Dialogue

Date	Comments
June 5 – June 12	<p>Due Diligence</p> <ul style="list-style-type: none"> ▶ Executed NDAs with advisors ▶ Received preliminary due diligence requests
June 13	<p>Due Diligence Meeting with Miller Buckfire and CZR Management</p> <ul style="list-style-type: none"> ▶ Overview of properties ▶ Market trends and CEOC positioning ▶ Detailed historical results and projections ▶ Development process for operating projections ▶ Capital spending history and budget ▶ Total rewards ▶ Service-co model
June 14 – July 9	<p>Continued Diligence</p> <ul style="list-style-type: none"> ▶ Data room access ▶ Calls with management and diligence related to: <ul style="list-style-type: none"> • Property management agreements • Licensing agreements • Organizational structure • Capital structure • Cash management system • Shared services

Review of Dialogue (cont.)

Date	Comments
July 10	<p>Meeting to Discuss Potential Proposal Constructs</p> <ul style="list-style-type: none"> ▶ Discussed guiding principles of the respective parties ▶ For each of the constructs, we reviewed and discussed: <ul style="list-style-type: none"> • Capital structure • Levered Free Cash Flow • Runway • Consideration allocated to various creditor groups ▶ Discussed CEOC asset portfolio and forecast <ul style="list-style-type: none"> • Region by region performance • Property highlights • Competitive landscape
July 11 – July 22	<p>Continued Proposal Discussions</p> <ul style="list-style-type: none"> ▶ Further discussion of framework and goals <p>Continued Diligence</p> <ul style="list-style-type: none"> ▶ Proposal assumptions & business performance
July 23	<p>Meeting to review Miller Buckfire / Kramer Levin Proposal</p> <ul style="list-style-type: none"> ▶ Discussed guiding principles of the respective parties ▶ Reviewed and discussed financial analysis of the proposal <ul style="list-style-type: none"> • Capital structure • Levered Free Cash Flow • Runway • Consideration allocated to various creditor groups ▶ Discussed asset sales

Review of Dialogue (cont.)

Date	Comments
July 24-August 4	<p>Continued Proposal Discussions</p> <ul style="list-style-type: none"> ▶ Further discussion of framework and goals <p>Continued Diligence</p> <ul style="list-style-type: none"> ▶ Proposal assumptions & business performance
August 5	<p>Meeting to discuss transaction constructs</p> <ul style="list-style-type: none"> ▶ Comparison and discussion of the various alternatives <ul style="list-style-type: none"> • Financial comparison • Operational comparison ▶ Implementation
August 6-September 7	<p>Continued Proposal Discussions</p> <ul style="list-style-type: none"> ▶ Further discussion of various constructs <p>Continued Diligence</p> <ul style="list-style-type: none"> ▶ Business performance and projections ▶ Negotiated and finalized waiver agreement and steering committee NDAs
September 8	<p>Meeting to discuss Proposal options</p> <ul style="list-style-type: none"> ▶ Financial comparison of the proposals ▶ Implementation considerations ▶ Next steps including restricting parties

II. Review of Goals & Proposals

Liquidity & Free Cash Flow (Cont'd)

2H 2014 CEOC Transactions, Interest & Amortization

Cash balance (6/30/2014) \$2,083

Transaction adjustments (historical)

B-7 transaction
16s / 17s transaction
Revised total (6/30/2014 PF)

Projected operating cash flow through year-end 2014

EBITDA
Capex
Other and working capital
Revised total - pre: interest

Projected cash coupons (Q3 and Q4 2014)

Bank debt - Q3
Bank debt - Q4
Unsecureds - 10.75% - August 1
1L bonds - 8.5% and 9.0% - August 15
Unsecureds - 17s - October 1
2L bonds - 12.75% - October 15
Unsecureds - 16s - December 1
1L bonds - 11.25% - December 1
2L bonds - 10% - December 15
Swap expense - Q3
Swap expense - Q4

Mandatory amortization

Bank debt
2L bonds - 10% - December (AHYDO)

Revised total - 12/31/2014 E

Cage cash
Cash available for restructuring

Cash used in restructuring (475)
Cash remaining

1H 2015 CEOC Interest & Amortization

Cash balance (12/31/2014)

Projected operating cash flow through June 30, 2015

EBITDA
Capex
Other and working capital
Revised total - pre: interest

Projected cash coupons (Q1 and Q2 2015)

Bank debt - Q1
Bank debt - Q2
Unsecureds - 10.75% - February 1
1L bonds - 8.5% and 9.0% - February 15
Unsecureds - 17s - April 1
2L bonds - 12.75% - April 15
Unsecureds - 16s - June 1
1L bonds - 11.25% - June 1
2L bonds - 10% - June 15
Swap expense - Q1 (Q1 maturity)

Mandatory amortization

Bank debt
2L bonds - 10% - June

Revised total - 6/30/2015 E

Cage cash
Cash available for restructuring

Cash used in restructuring \$0
Cash remaining

Three Scenarios


	<u>Amend/Extend</u>	<u>Consent with 1L only</u>	<u>Fully Consensual</u>
Form	Exchange Offer	Operating Company / REIT	REIT
Consent	<ul style="list-style-type: none"> ▶ All creditor classes consent and implementation is accomplished through a [95%+] minimum exchange offer among 12 indentures and credit agreements ▶ [95%+] minimum of all 12 issues needed 	<ul style="list-style-type: none"> ▶ Bank / 1L creditors consent and implementation is accomplished either via exchange or through a solicitation and a pre-arranged / pre-packaged plan ▶ 2/3 of consenting classes needed 	<ul style="list-style-type: none"> ▶ Same as left but also includes other creditors <ul style="list-style-type: none"> • Creditors consent and implementation is accomplished either via exchange or through a solicitation and a pre-arranged / pre-packaged plan ▶ 2/3 of consenting classes needed

II. Review of Goals & Proposals

Prepared at the Direction of Counsel

Summary of Proposals

For Settlement Purposes Only

	<u>Amend/Extend</u>	<u>Consent with 1L only</u>		<u>Fully Consensual</u>
Form	Exchange Offer	Operating Company / REIT		REIT
		<u>[●] Retained</u>	<u>[●] Sold</u>	
B/S Cash Used	▶ \$668mm Prior (based on prior estimate, but NA at this point)	▶ \$475mm	▶ \$475mm	▶ \$475mm
	▶ \$3,000mm	▶ N/A	▶ \$3,250mm	▶ \$3,250mm
Debt	\$8,273mm (Bank / 1Ls) \$2,334mm (2Ls) <u>\$1,904mm (Unsec. / Other)</u> \$12,511mm (Essentially an Extension trade)	▶ \$7,718mm • 7.5x leverage on \$1,029mm of EBITDA	▶ \$5,773mm • 7.5x leverage on \$770mm of post [●] sale EBITDA	▶ \$6,813mm • 8.9x blended leverage on \$770mm of post [●] sale EBITDA – \$475 PropCo EBITDA – \$295 OpCO EBITDA
Cash + Debt Total	▶ \$16,140mm	▶ \$8,492mm	▶ \$9,797mm	▶ \$10,838mm
Equity	▶ 100% to CEC	▶ 100% to Bank + 1Ls ▶ CEC offers to buy \$300mm from Bank at plan value	▶ 100% to Bank + 1Ls ▶ CEC offers to buy \$300mm from Bank at plan value	▶ 100% to creditors ▶ CEC offers to buy \$300mm from Bank at plan value
2L + Other Consideration ⁽¹⁾	▶ \$470mm cash ▶ \$400mm 1L debt ▶ \$1,934mm 1.5L debt ▶ \$1,904mm Unsec. / Other	▶ None	▶ None	▶ TBD% of Equity

Memo: Consent with 1L only and Fully Consensual figures exclude Capital Leases, Chester Downs and Clark County bonds.

1) Subject to adjustment for unencumbered assets and distribution of CEC contributions.

Summary of Proposals (Cont'd)

	<u>Amend/Extend</u>	<u>Consent with 1L only</u>		<u>Fully Consensual</u>
Form	Exchange Offer	Operating Company / REIT		REIT
		<u>[●] Retained</u>	<u>[●] Sold</u>	
CEC Contribution ⁽¹⁾ / CEC Guarantee	<ul style="list-style-type: none"> ▶ \$400mm Cash ▶ No guarantee 	<ul style="list-style-type: none"> ▶ \$400mm Cash <ul style="list-style-type: none"> • \$300mm to offer to purchase equity • \$100mm to CEOC ▶ No guarantee 	<ul style="list-style-type: none"> ▶ \$400mm Cash <ul style="list-style-type: none"> • \$300mm to offer to purchase equity • \$100mm to CEOC ▶ No guarantee 	<ul style="list-style-type: none"> ▶ \$400mm Cash <ul style="list-style-type: none"> • \$300mm to offer to purchase equity • \$100mm to CEOC ▶ Guarantee of lease payments from OpCo to PropCo for duration of take-back paper to support leverage and valuation (amount TBD)
Alignment	<ul style="list-style-type: none"> ▶ Contractual 	<ul style="list-style-type: none"> ▶ Contractual ▶ Potential asset swaps ▶ On-going allocation of opportunities ▶ Minority equity ownership 	<ul style="list-style-type: none"> ▶ Contractual ▶ Potential asset swaps ▶ On-going allocation of opportunities ▶ Minority equity ownership 	<ul style="list-style-type: none"> ▶ Explicit as result of lease guarantee ▶ Contractual ▶ Potential asset swaps ▶ On-going allocation of opportunities ▶ Minority equity ownership

Memo: Consent with 1L only and Fully Consensual figures exclude Capital Leases, Chester Downs and Clark County bonds.

(1) Proposals require a global settlement that includes full releases for CEC, its affiliates, sponsors, directors and officers.

Summary of Proposals – Credit Statistics

	<u>Amend/Extend</u>	<u>Consent with 1L only</u>		<u>Fully Consensual</u>
Form	Exchange Offer	Operating Company / REIT		REIT
		<u>[●] Retained</u>	<u>[●] Sold</u>	
Free Cash Flow	▶ (\$163mm)	▶ \$260mm	▶ \$176mm	▶ \$209mm
Interest	▶ \$686mm	▶ \$463mm	▶ \$346mm	▶ \$314mm
Debt ⁽¹⁾	▶ \$12,511mm	▶ \$7,718mm	▶ \$5,773mm	▶ \$6,813mm <ul style="list-style-type: none"> • \$4,751mm PropCo • \$2,062mm OpCo
EBITDA	▶ \$770mm	▶ \$1,029mm	▶ \$770mm	▶ \$770mm <ul style="list-style-type: none"> • \$475mm PropCo • \$295mm OpCo
Leverage	▶ 16.3x	▶ 7.5x	▶ 7.5x	▶ 8.9x (Blended) <ul style="list-style-type: none"> • 10.0x PropCo • 7.0x OpCo

Memo: Consent with 1L only and Fully Consensual figures exclude Capital Leases , Chester Downs and Clark County bonds.

(1) Excludes Chester Downs Balance.

II. Review of Goals & Proposals

Prepared at the Direction of Counsel

Summary of Proposals – Recovery Analysis

For Settlement Purposes Only

(\$ in millions)	Amend/Extend		Consent with 1L only				Fully Consensual	
	Exchange Offer		[●] Retained		[●] Sold		REIT	
	\$	Points	\$	Points	\$	Points	\$	Points
Banks								
Cash from CEOC	\$198	3.7	\$217	4.1	\$217	4.1	\$217	4.1
Asset Sale Proceeds	1,369	25.7	-	-	1,489	27.8	1,489	27.8
Debt	3,959	74.3	3,535	65.9	2,644	49.3	3,121	58.2
CEC Purchased Equity	-	-	300	5.6	300	5.6	300	5.6
Cash & Debt Recovery	5,526	103.7	4,052	75.6	4,650	86.7	5,127	95.6
Equity (pre-CEC purchase)	-	-	47% of equity (pro-rata share) ⁽¹⁾		47% of equity (pro-rata share) ⁽¹⁾		% required for 100% recovery	
1L's								
Cash from CEOC	-	-	\$257	4.1	\$257	4.1	\$257	4.1
Asset Sale Proceeds	1,631	25.7	-	-	1,761	27.8	1,761	27.8
Debt	4,314	68.0	4,182	65.9	3,128	49.3	3,692	58.2
CEC Purchased Equity	-	-	-	-	-	-	-	-
CEC Debt Purchases (Cash)	400	6.3	-	-	-	-	-	-
Cash & Debt Recovery	6,345	100.0	4,440	70.0	5,147	81.1	5,711	90.0
Equity	-	-	53% of equity (pro-rata share) ⁽¹⁾		53% of equity (pro-rata share) ⁽¹⁾		% required for 95% recovery	
2L's / Other								
Cash from CEOC	\$470	7.0	-	-	-	-	-	-
Debt	3,799	56.7	-	-	-	-	-	-
Cash & Debt Recovery	4,269	63.7	-	-	-	-	-	-
Equity	-	-	-	-	-	-	Remaining equity	

Memo: Consent with 1L only and Fully Consensual figures exclude Capital Leases, Chester Downs and Clark County bonds.

(1) Ownership percentages shown before CEC purchases from Bank (\$300mm).

- Equity splits shown are illustrative. Assumes CEC purchases equity at plan value.
- Subject to adjustment for unencumbered assets and distribution of CEC contributions.
- Recoveries will be such that no class will receive higher than 100% recovery.

Sensitivities – Operating Company / REIT Case (Consent With 1L Only)**[●] Retained**

(\$ in millions)

Cash and debt recovery (bank/1L) pre-CEC purchase

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	56.8%	56.8%	56.8%	56.8%	56.8%	56.8%	56.8%
	6.5x	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%
	7.0x	65.6%	65.6%	65.6%	65.6%	65.6%	65.6%	65.6%
	7.5x	NM	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
	8.0x	NM	NM	74.4%	74.4%	74.4%	74.4%	74.4%

Equity recovery (bank/1L) pre-CEC purchase

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	8.8%	13.2%	17.6%	22.0%	26.4%	30.8%	35.2%
	6.5x	4.4%	8.8%	13.2%	17.6%	22.0%	26.4%	30.8%
	7.0x	-	4.4%	8.8%	13.2%	17.6%	22.0%	26.4%
	7.5x	NM	-	4.4%	8.8%	13.2%	17.6%	22.0%
	8.0x	NM	NM	-	4.4%	8.8%	13.2%	17.6%

Combined (bank/1L) recovery

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	65.6%	70.0%	74.4%	78.8%	83.2%	87.5%	91.9%
	6.5x	65.6%	70.0%	74.4%	78.8%	83.2%	87.5%	91.9%
	7.0x	65.6%	70.0%	74.4%	78.8%	83.2%	87.5%	91.9%
	7.5x	NM	70.0%	74.4%	78.8%	83.2%	87.5%	91.9%
	8.0x	NM	NM	74.4%	78.8%	83.2%	87.5%	91.9%

Sensitivities – Operating Company / REIT Case (Consent With 1L Only)**[●] Sold**

(\$ in millions)

Cash and debt recovery (bank/1L) pre-CEC purchase

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	71.3%	71.3%	71.3%	71.3%	71.3%	71.3%	71.3%
	6.5x	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
	7.0x	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%
	7.5x	NM	81.1%	81.1%	81.1%	81.1%	81.1%	81.1%
	8.0x	NM	NM	84.4%	84.4%	84.4%	84.4%	84.4%

Equity recovery (bank/1L) pre-CEC purchase

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	6.6%	9.9%	13.1%	16.4%	19.7%	23.0%	26.3%
	6.5x	3.3%	6.6%	9.9%	13.1%	16.4%	19.7%	23.0%
	7.0x	-	3.3%	6.6%	9.9%	13.1%	16.4%	19.7%
	7.5x	NM	-	3.3%	6.6%	9.9%	13.1%	16.4%
	8.0x	NM	NM	-	3.3%	6.6%	9.9%	13.1%

Combined (bank/1L) recovery

		TEV multiple						
		7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x
Leverage	6.0x	77.8%	81.1%	84.4%	87.7%	91.0%	94.3%	97.6%
	6.5x	77.8%	81.1%	84.4%	87.7%	91.0%	94.3%	97.6%
	7.0x	77.8%	81.1%	84.4%	87.7%	91.0%	94.3%	97.6%
	7.5x	NM	81.1%	84.4%	87.7%	91.0%	94.3%	97.6%
	8.0x	NM	NM	84.4%	87.7%	91.0%	94.3%	97.6%

II. Review of Goals & Proposals

Sensitivities – REIT Case (Fully Consensual)

REIT ⁽¹⁾										
Bank debt equity ownership pre-CEC purchase (100% recovery)										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	43.8%	38.5%	34.3%	31.0%	28.2%	25.9%	24.0%	22.3%	20.8%
	9.5x	43.5%	37.5%	32.9%	29.4%	26.5%	24.2%	22.2%	20.5%	19.1%
	10.0x	43.1%	36.2%	31.2%	27.4%	24.4%	22.0%	20.1%	18.4%	17.0%
	10.5x	42.4%	34.3%	28.8%	24.8%	21.8%	19.5%	17.6%	16.0%	14.7%
	11.0x	41.4%	31.6%	25.6%	21.5%	18.5%	16.3%	14.5%	13.1%	11.9%

Memo: PropCo Debt	Memo: Total Debt	1L Cash/ Debt Recovery
\$4,276	\$6,633	85.9%
4,514	6,870	88.0%
4,751	7,108	90.0%
4,989	7,345	92.0%
5,227	7,583	94.1%

1L debt equity ownership (95% recovery)										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	33.4%	29.3%	26.2%	23.6%	21.5%	19.8%	18.3%	17.0%	15.9%
	9.5x	30.1%	25.9%	22.8%	20.3%	18.3%	16.7%	15.3%	14.2%	13.2%
	10.0x	25.5%	21.4%	18.4%	16.2%	14.4%	13.0%	11.9%	10.9%	10.1%
	10.5x	18.7%	15.1%	12.7%	10.9%	9.6%	8.6%	7.7%	7.1%	6.5%
	11.0x	7.7%	5.9%	4.8%	4.0%	3.5%	3.0%	2.7%	2.4%	2.2%

Bank debt recovery										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	9.5x	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	10.0x	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	10.5x	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	11.0x	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

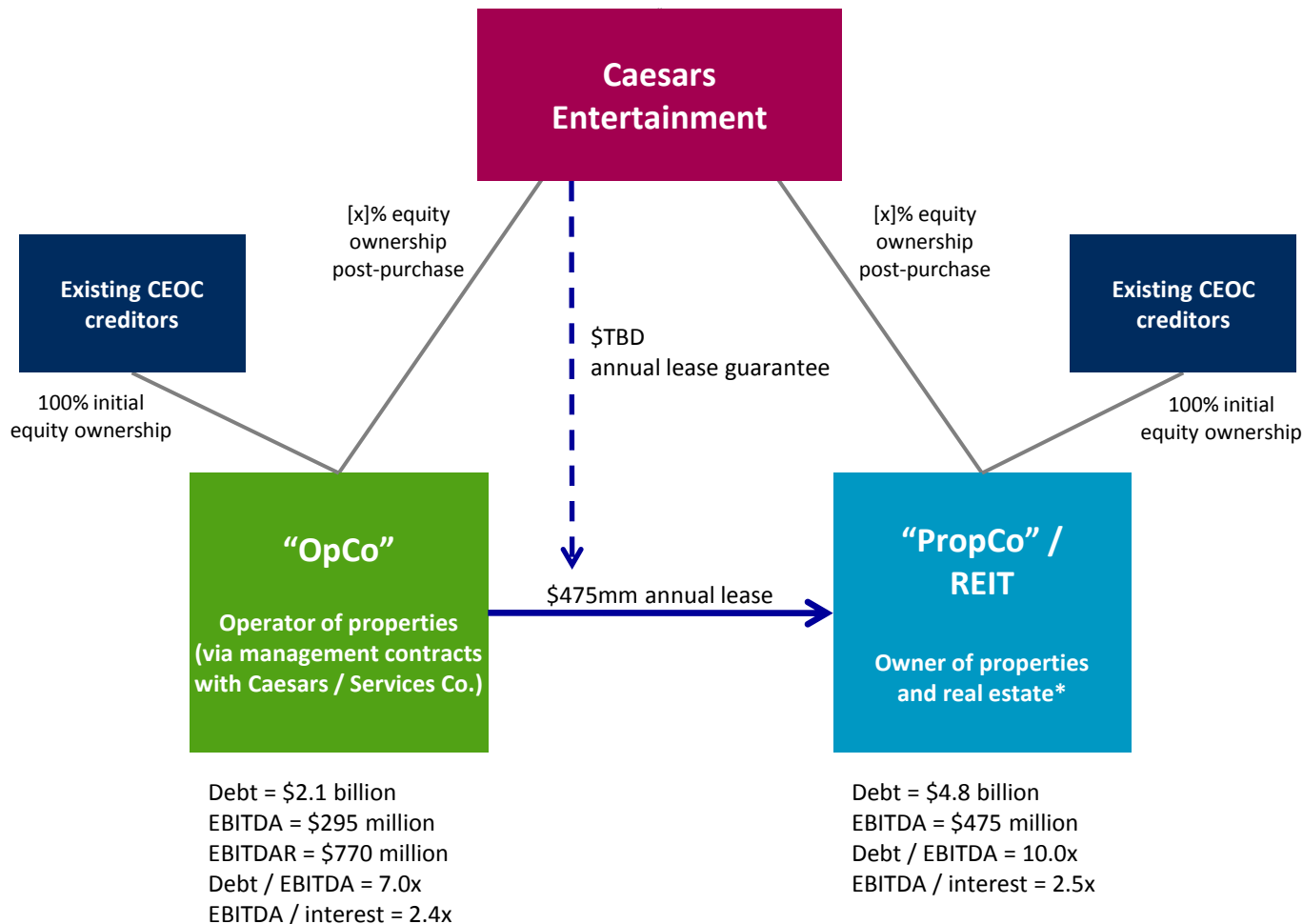
1L recovery										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
	9.5x	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
	10.0x	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
	10.5x	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
	11.0x	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%

% of equity ownership available for other creditors										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	22.8%	32.1%	39.5%	45.4%	50.3%	54.3%	57.8%	60.7%	63.3%
	9.5x	26.4%	36.6%	44.3%	50.3%	55.2%	59.2%	62.5%	65.3%	67.8%
	10.0x	31.5%	42.5%	50.4%	56.4%	61.1%	64.9%	68.1%	70.7%	72.9%
	10.5x	38.9%	50.6%	58.5%	64.2%	68.6%	72.0%	74.7%	76.9%	78.8%
	11.0x	50.9%	62.5%	69.6%	74.5%	78.0%	80.7%	82.8%	84.5%	85.8%

Value of equity available to other creditors										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	\$392	\$629	\$867	\$1,104	\$1,342	\$1,580	\$1,817	\$2,055	\$2,292
	9.5x	392	629	867	1,104	1,342	1,580	1,817	2,055	2,292
	10.0x	392	629	867	1,104	1,342	1,580	1,817	2,055	2,292
	10.5x	392	629	867	1,104	1,342	1,580	1,817	2,055	2,292
	11.0x	392	629	867	1,104	1,342	1,580	1,817	2,055	2,292

% CEC equity ownership for \$300 (at plan value)										
		PropCo TEV								
		12.0x	12.5x	13.0x	13.5x	14.0x	14.5x	15.0x	15.5x	16.0x
PropCo Leverage	9.0x	17.4%	15.3%	13.7%	12.3%	11.2%	10.3%	9.5%	8.9%	8.3%
	9.5x	20.2%	17.4%	15.3%	13.7%	12.3%	11.2%	10.3%	9.5%	8.9%
	10.0x	24.1%	20.2%	17.4%	15.3%	13.7%	12.3%	11.2%	10.3%	9.5%
	10.5x	29.8%	24.1%	20.2%	17.4%	15.3%	13.7%	12.3%	11.2%	10.3%
	11.0x	39.0%	29.8%	24.1%	20.2%	17.4%	15.3%	13.7%	12.3%	11.2%

(1) Assumes fixed OpCo TEV and leverage



Note: Certain CEOC assets, including foreign properties (i.e. London Clubs) and managed properties, may remain at OpCo due to regulatory and other factors, but financials / economics should remain unchanged.

III. Proposal Detail

Prepared at the Direction of Counsel

Detailed Proposal Comparison

For Settlement Purposes Only

(\$ in millions)	Amend/Extend		Consent with 1L only				Fully Consensual	
	Exchange Offer		[•] Retained		[•] Sold		REIT	
Liquidity Stats								
12/31/14 Projected Cash Balance	\$1,074		\$1,074		\$1,074		\$1,074	
CEOC Cash Utilized	(668)		(475)		(475)		(475)	
Minimum Cash	(300)		(300)		(300)		(300)	
CEC contributed balance sheet cash	-		100		100		100	
CEOC Liquidity	\$106		\$400		\$400		\$400	
2015 Pro-Forma FCF								
PF 2015 EBITDA	\$770		\$1,029		\$770		\$770	
CapEx	(174)		(233)		(174)		(174)	
Other & Non-Operating	(73)		(73)		(73)		(73)	
2015 Cash Interest & Amort.	(686)		(500)		(383)		(350)	
Pro-Forma Free Cash Flow	(\$163)		\$224		\$140		\$172	
CEC Consideration								
Guarantee	No		No		No		Lease Guarantee Amount TBD	
PF Capital Structure	Face Value	Leverage	Face Value	Leverage	Face Value	Leverage	Face Value	Leverage
Bank Debt / PropCo Debt	\$3,959		-		-		\$4,751	
First Lien Bonds / OpCo Debt	4,714		7,718		5,773		2,062	
Capital Leases	62		62		62		62	
Total First Lien Debt	\$8,735	11.3x	\$7,780	7.6x	\$5,835	7.6x	\$6,875	8.9x
1.5 Lien Debt	1,934		-		-		-	
Total Secured Debt	\$10,669	13.9x	\$7,780	7.6x	\$5,835	7.6x	\$6,875	8.9x
Guaranteed / Unsec. / Chester /Other	1,842		377		377		377	
Total Debt	\$12,511	16.3x	\$8,157	7.9x	\$6,212	8.1x	\$7,252	9.4x
PF 2015 Cash Interest Expense	\$	%	\$	%	\$	%	\$	%
Bank Debt / PropCo Debt	\$218	L+4.5	-	4.0%	-	4.0%	\$190	4.0%
First Lien Bonds / OpCo Debt	306	6.5%	463	6.0%	346	6.0%	124	6.0%
Capital Leases	4	6.0%	4	6.0%	4	6.0%	4	6.0%
Total First Lien Debt	\$528	6.0%	\$467	6.0%	\$350	6.0%	\$317	4.6%
1.5 Lien Debt	59	3.1%	-		-		-	
Total Secured Debt	\$587	5.5%	\$467	6.0%	\$350	6.0%	\$317	4.6%
Guaranteed / Unsec. / Chester /Other	99		33		33		33	
Total Interest	\$686	5.5%	\$500	6.1%	\$383	6.2%	\$350	4.8%

III. REIT Analysis & Background Information

IV. REIT Analysis & Background Information

Prepared at the Direction of Counsel

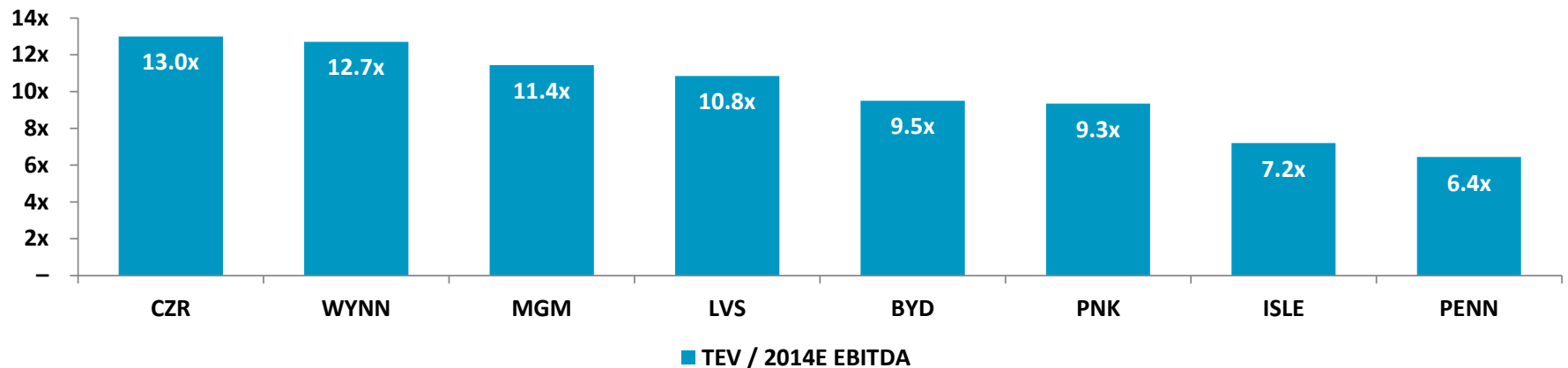
Corporate Casino Valuation

For Settlement Purposes Only

(\$ in millions)	Market Data			Financials					Multiples			
	Market Cap	Net Debt	TEV	LTM	LTM	2014E	LTM EBITDA	5-Yr EBITDA	TEV / EBITDA		Net Debt / EBITDA	
				Revenue	EBITDA	EBITDA	Margin %	CAGR	LTM	2014E	LTM	2014E
Wynn Resorts Ltd.	\$18,799	\$4,034	\$23,100	\$5,836	\$1,768	\$1,818	30.3%	25.0%	13.1x	12.7x	2.3x	2.2x
MGM Resorts International	11,866	11,490	26,840	9,815	2,178	2,345	22.2%	9.9%	12.3x	11.4x	5.3x	4.9x
Las Vegas Sands Corp.	50,591	7,086	59,140	14,859	4,984	5,453	33.5%	48.9%	11.9x	10.8x	1.4x	1.3x
Pinnacle Entertainment Inc.	1,564	3,943	5,518	2,042	515	591	25.2%	29.2%	10.7x	9.3x	7.7x	6.7x
Boyd Gaming Corporation	1,207	4,130	5,518	2,851	560	581	19.7%	12.0%	9.8x	9.5x	7.4x	7.1x
Isle of Capri Casinos, Inc.	333	961	1,294	958	171	180	17.8%	(2.2%)	7.6x	7.2x	5.6x	5.3x
Penn National Gaming Inc.	903	812	1,715	2,652	389	266	14.7%	(6.3%)	4.4x	6.4x	2.1x	3.1x
Caesars Entertainment Corporation	1,738	22,026	24,982	8,680	1,776	1,922	20.5%	(3.4%)	14.1x	13.0x	12.4x	11.5x

Globals												
Mean	\$27,085	\$7,537	\$36,360	\$10,170	\$2,977	\$3,205	28.7%	28.0%	12.4x	11.7x	3.0x	2.8x
Median	18,799	7,086	26,840	9,815	2,178	2,345	30.3%	25.0%	12.3x	11.4x	2.3x	2.2x
Regionals												
Mean	\$814	\$1,968	\$2,842	\$2,154	\$373	\$342	17.4%	1.2%	7.3x	7.7x	5.0x	5.2x
Median	903	961	1,715	2,652	389	266	17.8%	(2.2%)	7.6x	7.2x	5.6x	5.3x
Total												
Mean	\$12,181	\$4,637	\$17,589	\$5,573	\$1,509	\$1,605	23.3%	16.6%	10.0x	9.6x	4.5x	4.4x
Median	1,564	4,034	5,518	2,851	560	591	22.2%	12.0%	10.7x	9.5x	5.3x	4.9x

CEOC	N/A	\$16,873	N/A	\$5,592	\$993	\$977	17.8%	(8.6%)	N/A	N/A	N/A	N/A
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IV. REIT Analysis & Background Information

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Gaming Company Debt Statistics Support Proposal

For Settlement Purposes Only

Debt Comps	Financials				Bank Debt ⁽¹⁾					Total Debt					TEV / LTM EBITDA
	Bank Debt	Total Debt	Net Debt	LTM EBITDA	Lev.	Net Lev.	Coupon	Price	Yield	Lev.	Net Lev.	Coupon	Price	Yield	
Las Vegas Sands	10,298	10,388	7,096	4,984	2.1x	1.4x	L+180	100.0	2.80%	2.1x	1.4x	2.80%	100.0	2.80%	11.9x
Penn National Gaming	736	1,057	806	273	2.7x	1.8x	L+217	100.0	3.50%	3.9x	3.0x	3.95%	97.8	5.18%	6.3x
WYNN Resorts	\$949	\$7,353	\$4,318	\$1,768	0.5x	(1.2x)	L+213	100.0	3.13%	4.2x	2.4x	4.63%	104.2	3.24%	13.2x
Gaming & Leisure Properties ⁽²⁾	476	2,526	2,484	420	1.1x	1.0x	L+150	100.0	2.50%	6.0x	5.9x	4.42%	103.9	3.68%	14.9x
Isle of Capri Casinos	65	1,066	998	169	0.4x	(0.0x)	L+275	100.0	3.75%	6.3x	5.9x	7.26%	106.1	5.92%	7.9x
Boyd Gaming	2,604	4,340	4,178	560	4.6x	4.4x	L+349	99.9	4.49%	7.7x	7.5x	6.25%	102.3	4.77%	9.9x
MGM Resorts ⁽³⁾	2,758	12,377	11,011	1,523	1.8x	0.9x	L+259	99.8	3.64%	8.1x	7.2x	5.79%	109.3	3.63%	17.3x
Pinnacle Entertainment	1,713	4,277	4,110	515	3.3x	3.0x	L+250	100.2	3.50%	8.3x	8.0x	5.80%	104.0	4.24%	11.0x
Min					0.4x	(1.2x)	L+150	99.8	2.50%	2.1x	1.4x	2.80%	97.8	2.80%	6.3x
Median					1.9x	1.2x	L+233	100.0	3.50%	6.2x	5.9x	5.21%	104.0	3.96%	11.5x
Average					2.1x	1.4x	L+237	100.0	3.41%	5.8x	5.2x	5.11%	103.5	4.18%	11.5x
Max					4.6x	4.4x	L+349	100.2	4.49%	8.3x	8.0x	7.26%	109.3	5.92%	17.3x
Corporate	\$5,773	\$5,773	N/A	\$770	7.5x	N/A	6.00%	100.0	6.00%	7.5x	N/A	6.00%	100.0	6.00%	N/A
OpCo	\$2,063	\$2,063	N/A	\$295	7.0x	N/A	6.00%	100.0	6.00%	7.0x	N/A	6.00%	100.0	6.00%	N/A

Source: CapIQ (as of 9/5/14) and Bloomberg (as of 9/3/14).

Note: TEV / LTM EBITDA calculated based on Bloomberg outstanding debt values

(1) Bank Debt with no pricing assumed to be trading at par.

(2) LTM EBITDA annualized because GLPI has been standalone for less than one year and PENN has been paying rent for less than one year.

(3) Only US debt and EBITDA included for MGM. Coupon, price, and yield calculation exclude Convertible Note because it is in the money.

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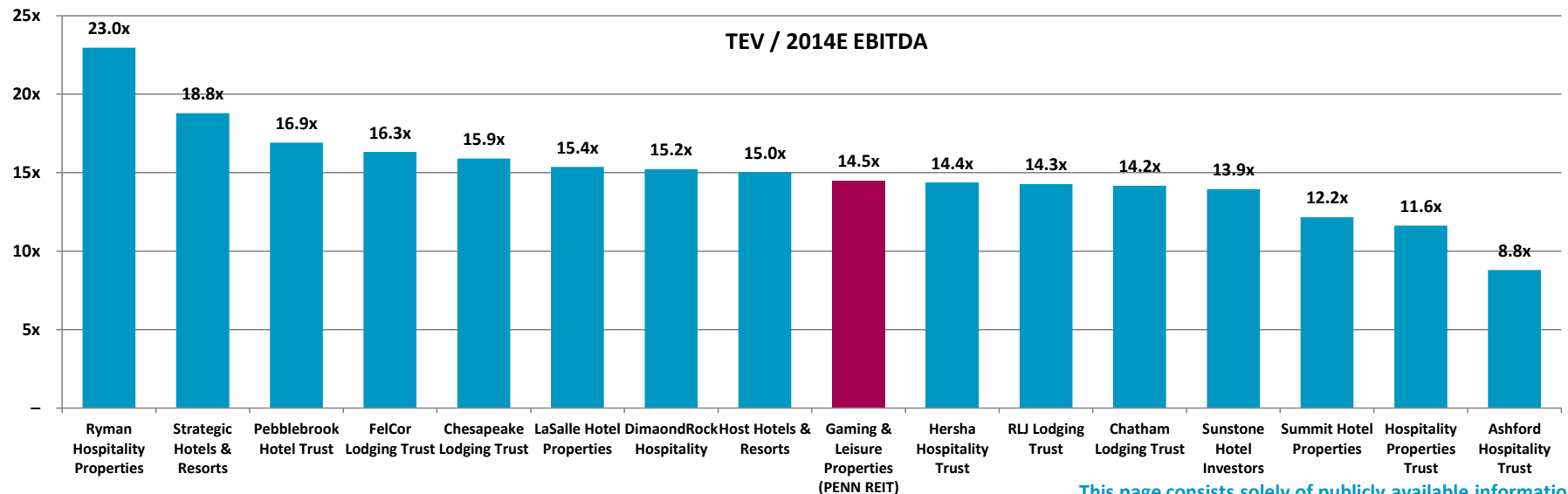
IV. REIT Analysis & Background Information

Prepared at the Direction of Counsel

Hospitality REITs

For Settlement Purposes Only

Hospitality REITs (\$ in millions)	Market Data			Financials					Multiples			
	Market Cap	Net Debt	TEV	LTM	LTM	2014E	LTM EBITDA	5Yr. EBITDA	TEV / EBITDA		Net Debt / EBITDA	
				Revenue	EBITDA	EBITDA	Margin %	CAGR	LTM	2014E	LTM	2014E
Ryman Hospitality Properties	\$3,958	\$277	\$4,235	\$203	\$47	\$184	23.4%	N/A	89.3x	23.0x	5.8x	1.5x
Strategic Hotels & Resorts	2,988	1,391	4,662	968	218	248	22.5%	8.1%	21.4x	18.8x	6.4x	5.6x
Pebblebrook Hotel Trust	2,629	556	3,188	540	140	189	26.0%	N/A	22.7x	16.9x	4.0x	3.0x
FelCor Lodging Trust	1,288	1,540	3,386	932	178	207	19.1%	(0.7%)	19.0x	16.3x	8.6x	7.4x
Chesapeake Lodging Trust	1,661	537	2,197	458	133	138	29.0%	N/A	16.6x	15.9x	4.0x	3.9x
LaSalle Hotel Properties	3,864	1,317	5,188	1,054	302	338	28.6%	10.7%	17.2x	15.4x	4.4x	3.9x
DimaondRock Hospitality	2,658	872	3,529	826	190	232	23.0%	6.3%	18.6x	15.2x	4.6x	3.8x
Host Hotels & Resorts	17,189	3,590	21,026	5,258	1,248	1,399	23.7%	3.6%	16.8x	15.0x	2.9x	2.6x
Gaming & Leisure Properties (PENN REIT)	3,759	2,484	6,243	N/A	N/A	430	N/A	N/A	N/A	14.5x	N/A	5.8x
Hersha Hospitality Trust	1,377	915	2,322	374	119	161	31.9%	13.8%	19.5x	14.4x	7.7x	5.7x
RLJ Lodging Trust	4,009	1,200	5,227	1,026	310	366	30.2%	N/A	16.8x	14.3x	3.9x	3.3x
Chatham Lodging Trust	619	531	1,152	148	38	81	25.4%	N/A	30.6x	14.2x	14.1x	6.5x
Sunstone Hotel Investors	3,032	1,048	4,251	1,039	280	305	27.0%	6.5%	15.2x	13.9x	3.7x	3.4x
Summit Hotel Properties	927	540	1,476	355	102	121	28.7%	24.2%	14.5x	12.2x	5.3x	4.5x
Hospitality Properties Trust	4,425	2,778	7,484	1,643	617	644	37.5%	1.3%	12.1x	11.6x	4.5x	4.3x
Ashford Hospitality Trust	1,036	1,564	2,804	841	203	319	24.2%	(5.5%)	13.8x	8.8x	7.7x	4.9x
Minimum	619	277	1,152	148	38	81	19.1%	(5.5%)	12.1x	8.8x	2.9x	1.5x
Mean	3,464	1,321	4,898	1,044	275	335	26.7%	6.8%	22.9x	15.0x	5.8x	4.4x
Medium	2,823	1,124	3,882	841	190	240	26.0%	6.4%	17.2x	14.8x	4.6x	4.1x
Maximum	17,189	3,590	21,026	5,258	1,248	1,399	37.5%	24.2%	89.3x	23.0x	14.1x	7.4x



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IV. REIT Analysis & Background Information

Prepared at the Direction of Counsel

PENN / GLPI Overview

For Settlement Purposes Only

Transaction Overview

- ▶ On November 15, 2012, PENN (“OpCo”) agreed to spin-off its real property assets into GLPI (“PropCo”), a publically listed REIT
 - The transaction was completed on November 1st, 2013
- ▶ The property assets include 17 regional casinos
- ▶ GLPI entered into a Master Lease Agreement for 17 of 19 properties (two of which are operating assets) in its initial portfolio on a 15 year triple net basis, with four 5-year extensions
- ▶ Under the terms of the transaction, PENN common shareholders received one share of GLPI for every PENN share and PENN distributed a dividend of \$15.40 per share

PENN & GLPI Valuation

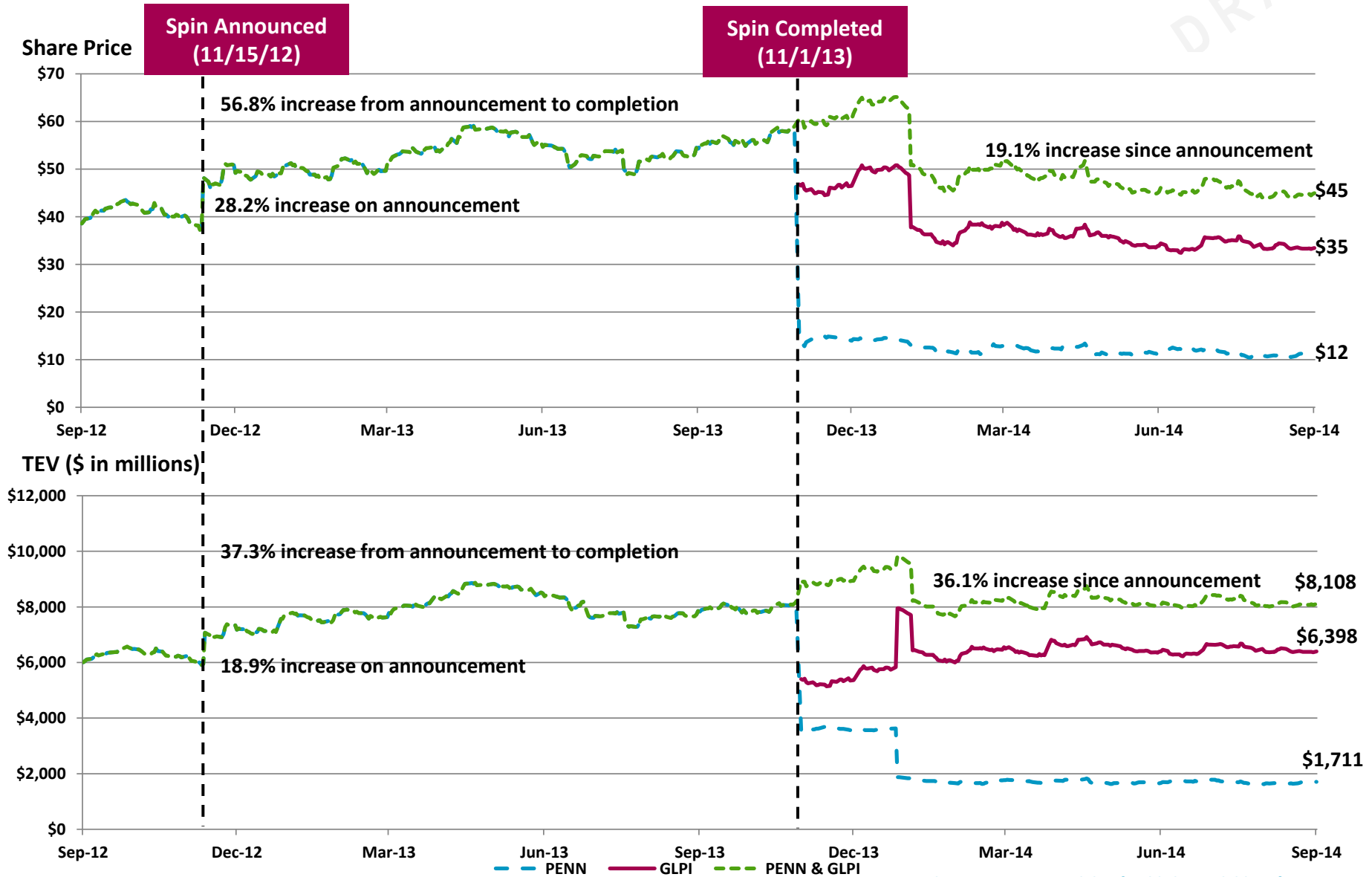
	TEV	NTM EBITDA	EV/NTM EBITDA
Post-Announcement	\$7,072	\$908	7.8x
Pre-Announcement	5,947	907	6.6x
Increase in Value	\$1,125		1.2x
<i>% Increase in Value</i>	<i>18.9%</i>		<i>18.8%</i>

Leverage and Capitalization

	Pre-Announce	Pre-Completion	PENN	GLPI	Combined
Debt	\$2,179	\$2,404	\$1,064	\$2,526	\$3,590
NTM EBITDA	908	806	272	434	707
Leverage	2.4x	3.0x	3.9x	5.8x	5.1x
Adjusted Debt (Incl. Capitalized Rent)	2,179	2,404	4,406	2,526	N/A
NTM EBITDAR	908	806	690	434	N/A
Adjusted Leverage	2.4x	3.0x	6.4x	5.8x	N/A
TEV	5,947	8,117	1,711	6,398	8,108
TEV / NTM EBITDA	6.6x	10.1x	6.3x	14.7x	11.5x
<i>Debt / TEV %</i>	<i>36.6%</i>	<i>29.6%</i>	<i>62.2%</i>	<i>39.5%</i>	<i>44.3%</i>
<i>Adjusted Debt / TEV %</i>	<i>36.6%</i>	<i>29.6%</i>	<i>257.6%</i>	<i>39.5%</i>	<i>N/A</i>
2014E EBITDAR	N/A	N/A	\$684	\$430	N/A
2014E Rent	N/A	N/A	418	N/A	N/A
Implied Rent Coverage	N/A	N/A	1.6x	N/A	N/A

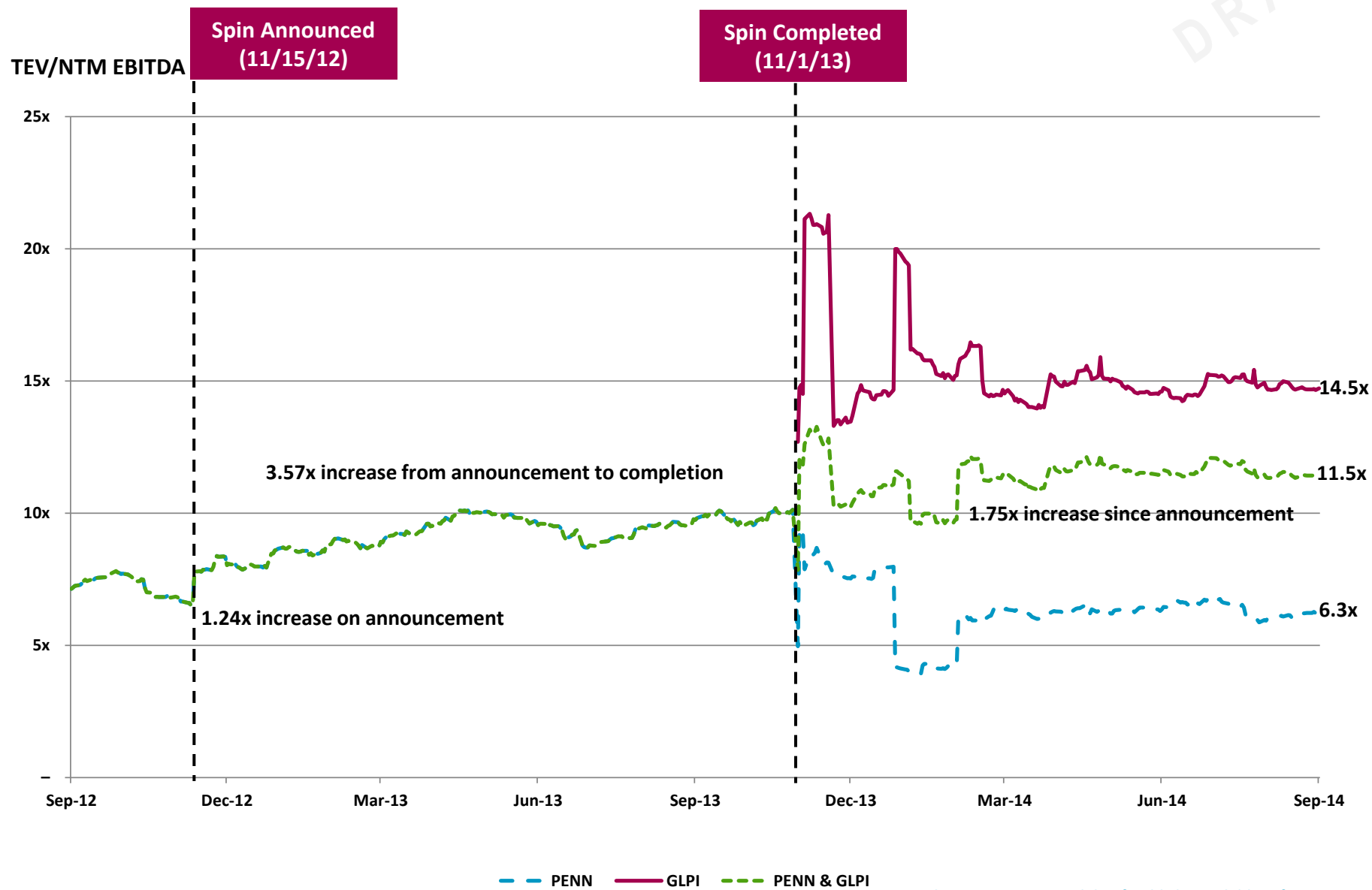
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PENN / GLPI Equity Performance



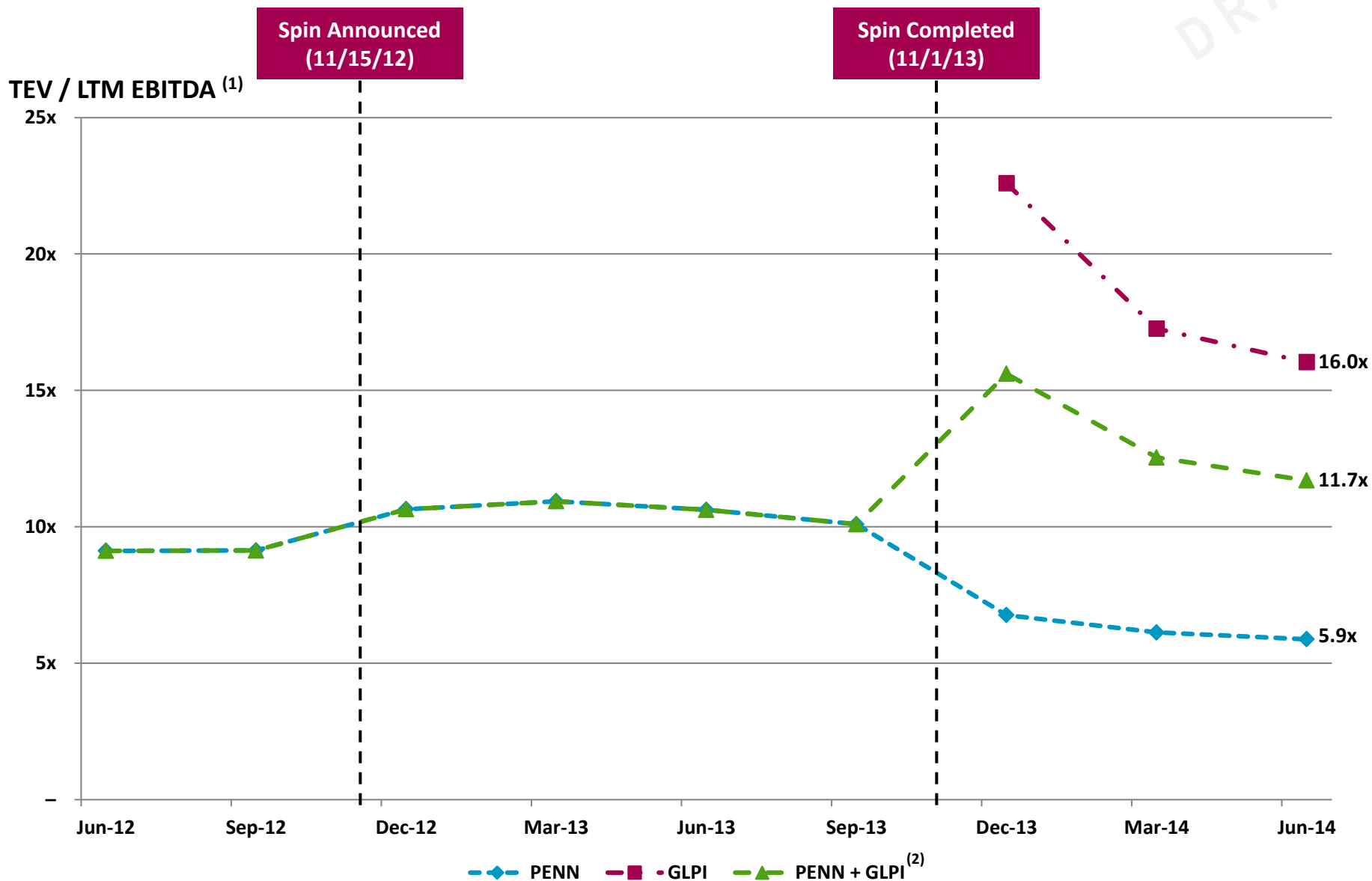
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PENN / GLPI Metrics



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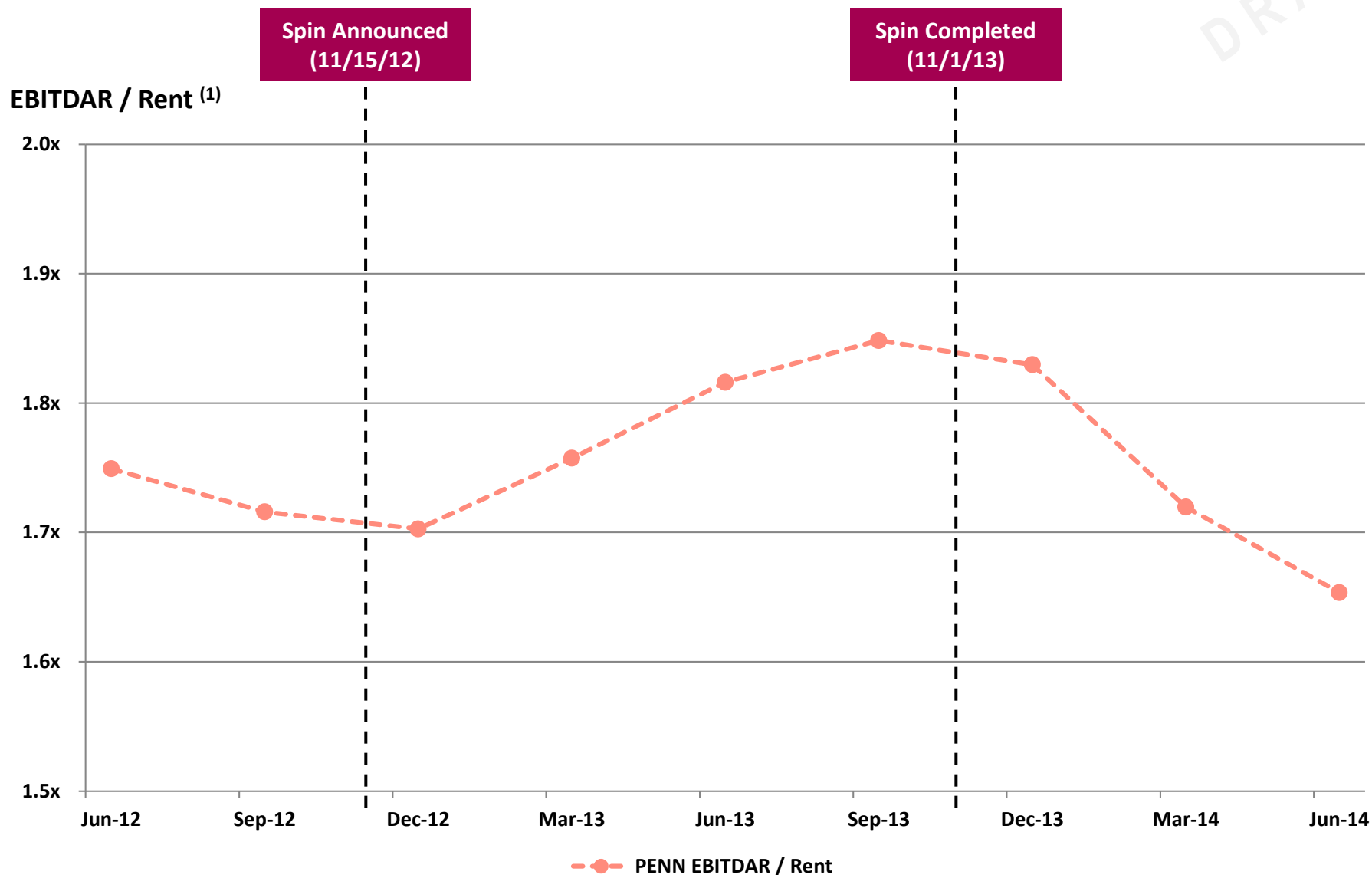
PENN / GLPI Metrics (Cont'd)



(1) Post spin, GLPI and PENN EBITDA are annualized for financials since spin.

(2) PENN & GLPI combined TEV / combined EBITDA.

PENN / GLPI Metrics (Cont'd)



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(1) Annualized H1 2014 rent used for all periods as full year rent figures since GLPI spin are not available.

Highly Levered REIT Multiples

REITs chosen all have Debt / LTM EBITDA in excess of 7x.

REIT Comps									
Name	TEV	Debt	Net Debt	LTM EBITDA	Net Debt / LTM EBITDA				LTV (Last 10Yrs.)
					Today	3Yrs. Ago	5Yrs. Ago	7Yrs. Ago	
Pennsylvania Real Estate Invest. Trust	\$3,016	\$1,628	\$1,597	\$227	7.2x	9.4x	10.5x	8.3x	95%
Strategic Hotels & Resorts, Inc.	4,612	1,636	1,391	218	7.5x	8.6x	11.4x	7.3x	85%
Spirit Realty Capital, Inc.	8,500	3,911	3,790	498	7.9x	10.4x	NM	8.7x	68%
Cedar Realty Trust, Inc.	1,409	704	700	84	8.4x	13.6x	10.6x	8.1x	89%
DDR Corp.	11,912	5,335	4,976	633	8.4x	9.1x	11.1x	8.2x	92%
American Campus Communities, Inc.	7,055	2,915	2,850	336	8.7x	6.5x	9.2x	10.3x	77%
General Growth Properties, Inc	38,184	16,128	15,886	1,852	8.7x	10.1x	11.6x	11.1x	98%
FelCor Lodging Trust Incorporated	3,384	1,601	1,540	178	9.0x	8.4x	8.2x	5.0x	74%
Acadia Realty Trust	3,092	1,077	990	117	9.2x	7.9x	10.1x	6.4x	63%
Rouse Properties, Inc.	2,471	1,484	1,461	147	10.1x	7.1x	NM	N/A	73%
Glimcher Realty Trust	3,789	1,865	1,844	171	10.9x	9.5x	9.1x	8.5x	88%
Campus Crest Communities, Inc.	1,046	526	509	36	14.6x	7.3x	NM	N/A	91%
American Realty Capital Properties, Inc.	22,044	9,804	9,604	609	16.1x	14.4x	NM	N/A	89%
Minimum					7.2x	6.5x	8.2x	5.0x	63%
Median					8.7x	9.1x	10.5x	8.2x	88%
Mean					9.7x	9.4x	10.2x	8.2x	83%
Maximum					16.1x	14.4x	11.6x	11.1x	98%

IV. REIT Analysis & Background Information

Prepared at the Direction of Counsel

Recent Hospitality CMBS Support Proposed Structure

For Settlement Purposes Only

CMBS Comps (\$ in millions)	Date	Amount	LTV	Weight. Int.	DSCR	Leverage
Hilton USA	Nov-13	\$3,500	51.2%	4.17%	2.9x	7.0x
Equity Inns	Jun-14	976	61.0%	3.46%	2.9x	8.6x
Atlantis Resort	Aug-14	1,650	67.6%	5.95%	1.4x	9.7x
Kyo-ya Hotels & Resorts	Jun-14	1,875	68.1%	3.04%	2.9x	10.0x
Fontainebleau	Jan-14	875	68.4%	4.12%	2.2x	10.1x
BRE Select Hotels Holdings	Jul-13	775	69.4%	4.67%	2.4x	8.4x
Morgan's Hotel Group (Hudson & Delano)	May-14	450	72.4%	5.81%	1.3x	11.6x
Boca Hotel Portfolio Trust	Sep-13	795	73.3%	5.01%	1.5x	10.8x
Blackstone Select Service Hotel Portfolio	Jul-14	675	79.4%	2.84%	3.3x	9.1x
Innkeepers Portfolio	Jun-14	840	79.9%	3.55%	2.3x	10.3x
Min		\$450	51.2%	2.84%	1.3x	7.0x
Median		\$858	68.9%	4.15%	2.4x	9.9x
Average		\$1,241	69.1%	4.26%	2.3x	9.6x
Max		\$3,500	79.9%	5.95%	3.3x	11.6x
CEOC REIT Proposal	N/A	\$4,753	TBD	4.00%	2.06x	10.0x

SEPARATION SHEET



First Lien Noteholders' Discussion Materials

September 18, 2014

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1. Introduction
2. First Lien Noteholders' Proposal

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** FOR SETTLEMENT PURPOSES ONLY **

INTRODUCTION

INTRODUCTION

- Speed and certainty are critical to maximizing value on a risk adjusted basis for all stakeholders of CEOC
- Simplicity is key in establishing an executable restructuring plan to minimize risk, time, expense and uncertainty inherent in a contested process
- A pre-arranged plan should be negotiated which will allow the Company to implement its plan with or without the consent of out-of-the money creditors

CHOOSING A PATH

FORM	AMEND/EXTEND	CONSENT WITH 1L ONLY		FULLY CONSENSUAL
	EXCHANGE OFFER	OPERATING COMPANY / REIT		REIT
		[•] RETAINED	[•] SOLD	
B/S CASH USED	<ul style="list-style-type: none"> \$688MM Prior (Based on prior estimate, but NA at this point) 	<ul style="list-style-type: none"> \$475MM 	<ul style="list-style-type: none"> \$475MM 	<ul style="list-style-type: none"> \$475MM
[•]	<ul style="list-style-type: none"> \$3,000MM 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> \$3,250MM 	<ul style="list-style-type: none"> \$3,250MM
DEBT	<ul style="list-style-type: none"> \$8,273MM (Bank/1Ls) \$2,334MM (2Ls) \$1,904MM (Unsec./Other) – \$12,511MM (Essentially an Extension trade) 	<ul style="list-style-type: none"> \$7,718MM – 7.5x leverage on \$1,029MM of EBITDA 	<ul style="list-style-type: none"> \$5,773MM – 7.5x leverage on \$770MM of post [•] sale EBITDA 	<ul style="list-style-type: none"> \$6,813MM – 8.9x blended leverage on \$770MM of post [•] sale EBITDA • \$475 PropCo EBITDA • \$295 OpCO EBITDA
CASH + DEBT TOTAL	<ul style="list-style-type: none"> \$16,140MM 	<ul style="list-style-type: none"> \$8,492MM 	<ul style="list-style-type: none"> \$9,797MM 	<ul style="list-style-type: none"> \$10,838MM
EQUITY	<ul style="list-style-type: none"> 100% to CEC 	<ul style="list-style-type: none"> 100% to Bank + 1Ls CEC offers to buy \$300MM from Bank at plan value 	<ul style="list-style-type: none"> 100% to Bank + 1Ls CEC offers to buy \$300MM from Bank at plan value 	<ul style="list-style-type: none"> 100% to creditors CEC offers to buy \$300MM from Bank at plan value
2L + OTHER CONSIDERATION ⁽¹⁾	<ul style="list-style-type: none"> \$470MM cash \$400MM 1L debt \$1,934MM 1.5L debt \$1,904MM Unsec./Other 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> TBD% of Equity
CEC CONTRIBUTION ⁽²⁾ / CEC GUARANTEE	<ul style="list-style-type: none"> \$400MM Cash No guarantee 	<ul style="list-style-type: none"> \$400MM Cash – \$300MM to offer to purchase equity – \$100MM to CEOC No guarantee 	<ul style="list-style-type: none"> \$400MM Cash – \$300MM to offer to purchase equity – \$100MM to CEOC No guarantee 	<ul style="list-style-type: none"> \$400MM Cash – \$300MM to offer to purchase equity – \$100MM to CEOC Guarantee of lease payments from OpCo to PropCo for duration of take-back paper to support leverage and valuation (amount TBD)

Source: Company presentation dated September 12, 2014.

Memo: Consent with 1L only and Fully Consensual figures exclude Capital Leases, Chester Downs and Clark County bonds.

(1) Subject to adjustment for unencumbered assets and distribution of CEC contributions.

(2) Proposals require a global settlement that includes full releases for CEC, its affiliates, sponsors, directors and officers.

ESTIMATED LIQUIDITY OUTLOOK, PUBLIC & PROVIDED DATA

2H 2014 Cash Walk (\$MM)

Starting Cash Balance (6/30/2014) \$2,083

Transaction Adjustments

B-7 Transactions⁽¹⁾ (219)
 16s/17s Transaction (78)

Revised Total \$1,786

Projected OCF through 12/31/2014

Proposal EBITDA 515
 Projected Maintenance CapEx⁽²⁾ (150)
 Other and Working Capital -

Revised Total (Before Interest) \$2,150

Interest Payments (616)
 Estimated Swap Expenses (86)
 Term Loan Amortization (9)
 Estimated AHYDO Payments⁽³⁾ -

Revised Total - 12/31/2014E \$1,439

Cash Used in Restructuring (Proposal) (722)
 Estimated Case Administration Costs (200)

Remaining Cash \$517

Cage Cash⁽³⁾ (275)

Available Remaining Cash \$242

Cash Payment Details (\$MM)

Projected Cash Payments (Q3 and Q4 2014)

Bank Debt Q3 (\$109)
 Bank Debt Q4 (110)
 Unsecureds 10.75% - August (26)
 1L Bonds - 8.50% and 9.00% - August (188)
 Unsecureds 17s - October (8)
 2L Bonds 12.75% - October (48)
 Unsecureds 16s - December (10)
 1L Bonds - 11.25% - December (118)
 2L Bonds - 10.00% - December -

Estimated Swap Expense - Q3 (43)
 Estimated Swap Expense - Q4 (43)

Mandatory Amortization

Estimated Bank Debt Amortization (9)
 Estimated AHYDO Payments⁽³⁾ -

Assumes
 \$225MM of
 2L Dec.
 interest and
 \$22MM⁽³⁾ of
 AHYDO
 forgone

(1) Assumes \$90 million of transaction fees for B-7 transaction and debt repurchase.
 (2) Maintenance capital expenditures estimated based on management guidance in form 10-Q as of quarter ended June 30, 2014.
 (3) Cage cash and estimated AHYDO payment per J.P. Morgan research report dated July 22, 2014.

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FIRST LIEN NOTEHOLDERS' PROPOSAL

KEY ASPECTS OF FIRST LIEN NOTEHOLDERS' PROPOSAL

- 7.0x pro forma leverage (not including Chester Downs and “other” debt) at 7% interest rate
 - First-out tranche through 6.0x leverage
 - Last-out tranche from 6.0x through 7.0x leverage
- CEC guarantee of significantly in-the-money last-out tranche
- CEC contribution funds paydown to bank debt and first lien note holders with potential for a portion going to CEOC balance sheet
 - Additional contribution from CEC to other constituents may be required
- \$722MM cash available for restructuring transaction versus \$475MM per Company Proposal
- CEC / first lien noteholders to backstop cash out option to bank debt holders; details TBD
- Further alignment of interests to be achieved through contractual arrangements which shall be modified to reflect arm's length terms
- By no later than September 29, 2014, Company shall update Collateral Agreement's schedule of Commercial Tort Claims
- By no later than September 29, 2014, Company shall move cash into securities accounts or such other accounts on which first lien creditors have perfected security interests and, contemporaneously with the execution of a plan support agreement, shall enter into account control agreements

FIRST LIEN NOTEHOLDERS' PROPOSAL

	PARTICIPATING AMOUNTS	COMPANY PROPOSAL (SEPTEMBER 12, 2014)	1L NOTEHOLDERS' PROPOSAL (SEPTEMBER 18, 2014)
BANK DEBT	<ul style="list-style-type: none"> ■ Claim: \$5,355MM 	<ul style="list-style-type: none"> ■ 4.1¢ (\$217MM) CEOC cash paydown ■ 5.6¢ (\$300MM) CEC purchased equity ■ 66.0¢ (\$3,532MM) of New 1L Debt ■ 45.8% CEOC equity⁽¹⁾ ■ Releases 	<ul style="list-style-type: none"> ■ 6.2¢ (\$330MM) CEOC cash paydown ■ 8.5¢ (\$458MM) CEC cash paydown ■ 61.6¢ (\$3,297MM) of New 1L Notes (first-out tranche) ■ 45.8% CEOC equity⁽²⁾ ■ Any additional consideration to be provided by CEC ■ Releases
FIRST LIEN BONDS	<ul style="list-style-type: none"> ■ Claim: \$6,345MM 	<ul style="list-style-type: none"> ■ 4.1¢ (\$257MM) cash paydown ■ 66.0¢ (\$4,185MM) of New 1L Debt ■ 54.2% CEOC equity ■ Releases 	<ul style="list-style-type: none"> ■ 6.2¢ (\$392MM) CEOC cash paydown ■ 8.5¢ (\$542MM) CEC cash paydown ■ 45.3¢ (\$2,877MM) of New 1L Notes (first-out tranche) ■ 16.2¢ (\$1,029MM) of New 1L Notes (guaranteed last-out tranche) ■ 54.2% CEOC equity⁽²⁾ ■ Releases
SECOND LIEN/ UNSECURED DEBT	<ul style="list-style-type: none"> ■ 2L Claim: \$5,252MM ■ Unsec. Claim: \$1,025MM 	<ul style="list-style-type: none"> ■ None 	<ul style="list-style-type: none"> ■ Any consideration to be provided by CEC
CHESTER DOWNS/OTHER	<ul style="list-style-type: none"> ■ Claim: \$439MM 	<ul style="list-style-type: none"> ■ No adjustment 	<ul style="list-style-type: none"> ■ No adjustment
CEC CONTRIBUTION		<ul style="list-style-type: none"> ■ \$100MM ■ No guarantee 	<ul style="list-style-type: none"> ■ \$1,000MM ■ Guarantee of last-out tranche ■ Adequate level of CEOC equity ownership (through cash-out option or otherwise); details TBD
CASH OUT OPTION		<ul style="list-style-type: none"> ■ CEC offers to purchase \$300MM of equity from bank debt holders 	<ul style="list-style-type: none"> ■ CEC / first lien noteholders to backstop cash-out option to bank debt holders; details TBD
MANAGEMENT & SHARED SERVICES AGREEMENTS		<ul style="list-style-type: none"> ■ N/A 	<ul style="list-style-type: none"> ■ CEOC properties, online assets and IP to be managed and licensed pursuant to management and other agreements on arm's length terms and in forms acceptable to the Steering Group

(1) CEC will offer to purchase \$300 million of equity, reducing ownership percentage.

(2) Equity ownership percentages subject to change.

SUMMARY OF PROPOSALS – FACE RECOVERIES (\$MM)

	Company Proposal (September 12, 2014)		First Lien Noteholders' Proposal (September 18, 2014)	
Bank Debt				
	Amount	%	Amount	%
Total Cash	\$217	4.1%	\$788	14.7%
New 1L Debt /(1st-Out)	3,532	66.0%	3,297	61.6%
CEC Purchased Equity	300	5.6%	300	5.6%
Cash & Debt Recovery	\$4,049	75.6%	\$4,385	81.9%
Equity (pre-CEC purchase)	45.8% of equity ⁽¹⁾		45.8% of equity ⁽²⁾	
1L Bonds				
	Amount	%	Amount	%
Total Cash	\$257	4.1%	\$934	14.7%
New 1L Debt (1st-Out)	4,185	66.0%	2,877	45.3%
New 1L Debt (Last-Out)	-	-	1,029	16.2%
CEC Purchased Equity	-	-	-	-
Cash & Debt Recovery	\$4,442	70.0%	\$4,840	76.3%
Equity (pre-CEC purchase)	54.2% of equity ⁽¹⁾		54.2% of equity ⁽²⁾	
2L / Unsecured Bonds				
	Amount	%	Amount	%
CEC Cash	-	-	-	-
New Debt	-	-	-	-
CEC Purchased Equity	-	-	-	-
Cash & Debt Recovery	-	-	-	-
Equity (pre-CEC purchase)	None		None	

(1) Equity ownership percentages subject to change. Equity will initially be split between bank debt holders (46%) and first lien noteholders (54%). CEC will then offer to purchase \$300 million of equity from bank debt holders.

(2) Equity ownership percentages subject to change.

PRO FORMA CAPITAL STRUCTURE

Pro Forma Capital Structure (\$MM)			
	Amount Outstanding	Transaction Adjustments	Pro Forma ⁽¹⁾ Capital Structure
Bank Debt	\$5,355	(\$5,355)	-
First Lien Bonds (1st-Out Tranche)	6,345	(171)	6,174
Guaranteed Last-Out Tranche	-	1,029	1,029
Chester Downs Bonds	330	-	330
First Lien Debt	\$12,030	(\$4,497)	\$7,533
Second Lien Bonds	5,252	(5,252)	-
Total Secured Debt	\$17,282	(\$9,749)	\$7,533
Guaranteed/Unsecured Bonds	1,025	(1,025)	-
Other Debt ⁽²⁾	109	-	109
Total Debt	\$18,416	(\$10,774)	\$7,642
Cash ⁽³⁾	(1,439)	922	(517)
Net Debt	\$16,977	(\$9,852)	\$7,125
	Multiples		Multiples
First Lien Leverage ⁽⁴⁾	11.7x		7.3x
Secured Leverage ⁽⁴⁾	16.8x		7.3x
Total Leverage ⁽⁴⁾	17.9x		7.4x
Net Leverage ⁽⁴⁾	16.5x		6.9x

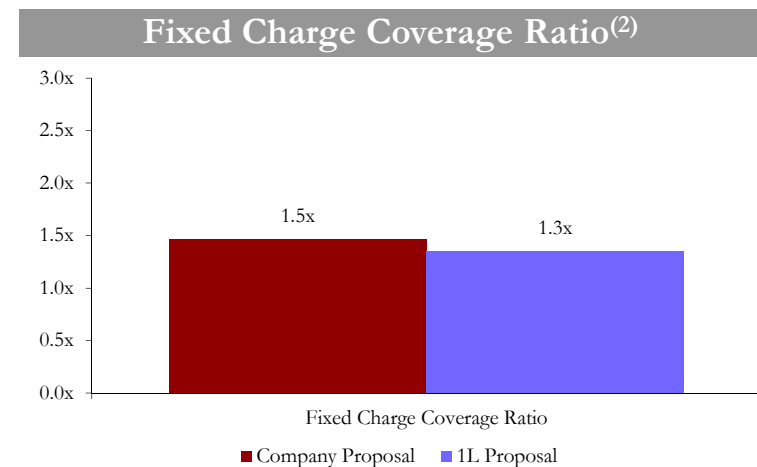
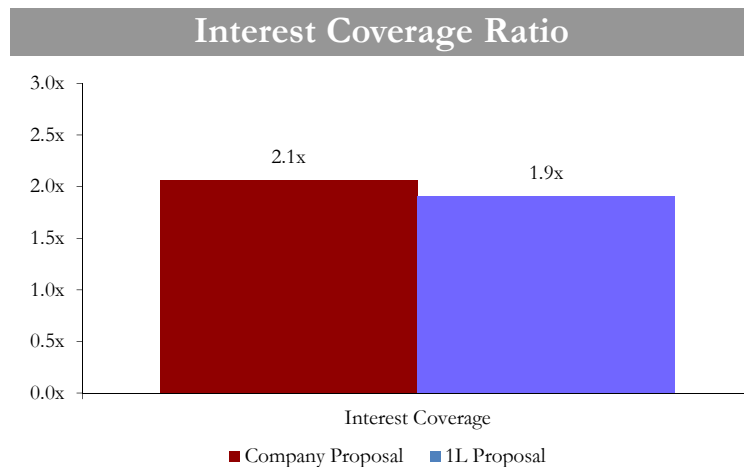
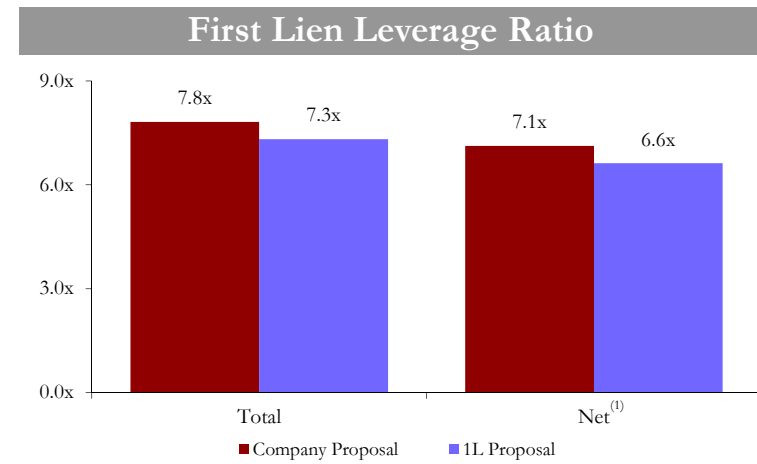
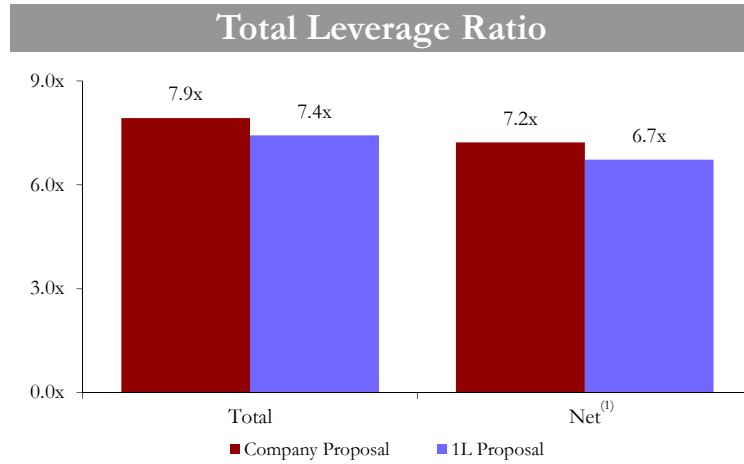
(1) Pro forma indicates aggregate amount of new debt type, not amount received by current class.

(2) Includes capitalized leases, special improvement district bonds and other debt.

(3) Cash used in transaction includes \$200 million of administrative expenses assumed to be paid during restructuring.

(4) Based on Company-projected EBITDA of \$1,029 million for CEOC.

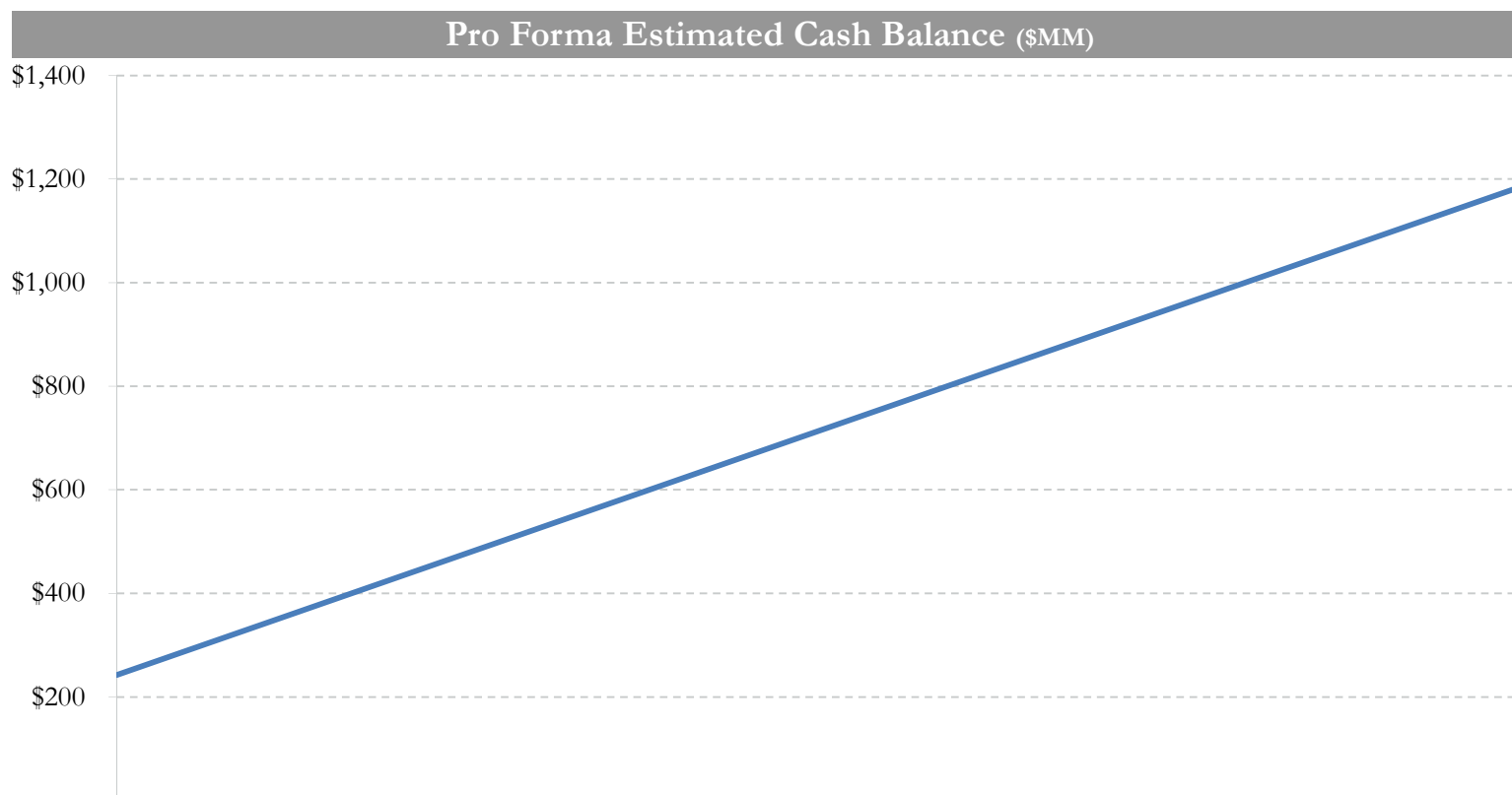
CREDIT STATISTICS COMPARISON



(1) For comparative purposes, net leverage figures under First Lien Noteholders' Proposal exclude \$200 million of administrative expenses assumed to be paid during restructuring.

(2) Fixed Charge Coverage Ratio defined as (EBITDA – CapEx) / Interest.

ILLUSTRATIVE LIQUIDITY ANALYSIS



<i>(Year Ending \$MM)</i>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Proposal EBITDA	\$1,029	\$1,029	\$1,029	\$1,029	\$1,029
Maintenance CapEx	(300)	(300)	(300)	(300)	(300)
FCF before Interest	\$729	\$729	\$729	\$729	\$729
Interest Expense	(504)	(504)	(504)	(504)	(504)
Other Interest	(36)	(36)	(36)	(36)	(36)
Free Cash Flow	\$189	\$189	\$189	\$189	\$189
Estimated Available Cash	\$431	\$620	\$809	\$998	\$1,187

(1) Analysis shows estimated liquidity based on \$7.2 billion of aggregate first-out and guaranteed last-out tranches priced at 7.00%. Based on proposal EBITDA of \$1,029 million and estimated capital expenditures of \$300 million based on management guidance. Assumes December second lien interest and AHYDO payments are not made. Further assumes administrative case expenses of \$200 million and cage cash of \$275 million.

KEY CONSIDERATIONS / NEXT STEPS

- Determination of the value, if any, of unencumbered assets and allocation of CEC contribution, including consideration of tax basis by entity

- Consideration of back-stopped cash out options for bank debt holders and level of CEC participation to ensure sufficient level of ownership in CEOC

- Contractual alignment and modification to reflect arm's length terms, including normalization of intra-company working capital, allocation of future growth opportunities, Total Rewards, etc.

SEPARATION SHEET

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Project Julii Response to 1L Proposal

September 19th, 2014

Summary of Proposals

	(09.18.14) 1L Proposal	Company Response
Timing	▶ ASAP	▶ Agreed
CEOC Cash Used	▶ \$722mm	▶ Agreed
Pledge Torts	▶ By 9/29/14	▶ Assuming substantial progress on a deal
Pledge Cash	▶ By 9/29/14	▶ Assuming substantial progress on a deal
CPLV	▶ Retained	▶ Agreed
Alignment	▶ Amended Agreements TBD	▶ Agreed
CEC Contribution + Guarantee	▶ \$1bn cash for debt paydown + \$300mm cash to buy equity ▶ 6.0x-7.0x (\$1,029mm)	▶ \$100mm cash into company ▶ \$300mm to buy equity ▶ 7.0x-7.5x (\$515mm) with indemnity ⁽¹⁾
Leverage	▶ 6.0x 1 st out at 7% ▶ 1.0x guaranteed 2 nd out debt at 7% ▶ 7.0x Total ⁽²⁾	▶ 4.2x 1 st out at 6% ▶ 3.3x 2 nd out at 6% ▶ 7.5x Total ⁽²⁾
Interest Rate	▶ 7.0%	▶ 6.0%
Rights Offering	▶ TBD, CEC/1L to backstop cash-out option to Bank	▶ Total \$TBD ▶ CEC backstop commitment for \$300mm to repay 1L Bonds

(1) Indemnity for all potential pre-deal claims and causes of action from the estate or third parties. Guarantee applies only in the case in which an indemnity is provided.

(2) Excludes Chester Downs and Other debt.

Capital Structure

PF Capital Structure (\$ in millions)	(09.18.14) 1L Proposal		Company Response	
	Net Debt	Leverage	Net Debt	Leverage
Cash	\$517		\$617	
Bank Debt	\$6,174	6.0x	\$4,642	4.5x
First Lien Bonds	1,029	7.0x	3,076	7.5x
Chester Downs / Other	439	7.4x	439	7.9x
Net Debt	\$7,125	6.9x	\$7,540	7.3x

Memo: Credit Stats

Interest Coverage Ratio	1.9x	2.1x
Fixed Charge Ratio	2.5x	2.7x

Recoveries

Recoveries (\$ in millions)	Current Balance	(09.18.14) 1L Proposal		Company Response	
		Face Value	%	Face Value	%
Bank Debt					
Cash	–	\$788	14.7%	\$722	13.5%
Bank Debt	5,364	3,297	61.5%	4,642	86.5%
First Lien Bonds	–	–	–	–	–
CEC Purchased Equity	–	300	5.6%	–	–
Cash & Debt Recovery	\$5,364	\$4,385	81.7%	\$5,364	100.0%
Equity Ownership		45.8%		0.0%	
First Lien Bonds					
Cash	–	\$934	14.7%	–	–
Bank Debt	–	2,877	45.3%	–	–
First Lien Bonds	6,345	1,029	16.2%	3,076	48.5%
CEC Purchased Equity	–	–	–	300	4.7%
Cash & Debt Recovery	\$6,345	\$4,840	76.3%	\$3,376	53.2%
Equity Ownership		54.2%		100.0% ⁽¹⁾	
Memo:					
CEC Cash Contribution		\$400		\$400	
(-) \$ to Purchase Bank Equity		(300)		–	
(-) \$ to Purchase 1L Bonds' Equity		–		(300)	
Cash to Balance Sheet		\$100		\$100	
Guarantee		6.0x-7.0x turns of debt		7.0x-7.5x turns of debt⁽²⁾	

(1) Before CEC purchase.

(2) If CEC is indemnified for all potential pre-deal claims and causes of action from the estate or third parties.

SEPARATION SHEET



First Lien Noteholder Proposal

September 24, 2014

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SUMMARY OF PROPOSALS

SUMMARY OF PROPOSALS (\$MM)

	Company Proposal (9-12-14)		1L Proposal (9-18-14)		Company Proposal (9-19-14)		1L Proposal Scenario 1 (9-24-14)		1L Proposal Scenario 2 (9-24-14)		1L Proposal Scenario 3 (9-24-14)	
Bank Debt	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Total Cash	\$217	4.1%	\$788	14.7%	\$722	13.5%	\$1,626	30.4%	\$2,251	42.0%	\$376	7.0%
New Bank Debt	-	-	-	-	4,642	86.5%	3,461	64.6%	2,836	53.0%	4,711	88.0%
New 1L Debt	3,532	66.0%	3,297	61.6%	-	-	-	-	-	-	-	-
CEC Purchased Equity	300	5.6%	300	5.6%	-	-	-	-	-	-	-	-
Cash & Debt Recovery	\$4,049	75.6%	\$4,385	81.9%	\$5,364	100.0%	\$5,087	95.0%	\$5,087	95.0%	\$5,087	95.0%
Equity	45.8% of equity ⁽¹⁾		45.8% of equity ⁽¹⁾		0% of equity		0% of equity		0% of equity		0% of equity	
1L Bonds	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Total Cash	\$257	4.1%	\$934	14.7%	-	-	\$446	7.0%	\$446	7.0%	\$446	7.0%
New 1L Debt	4,185	66.0%	2,877	45.3%	2,561	40.4%	-	-	-	-	-	-
New 1L Debt (Last-Out) ⁽²⁾	-	-	1,029	16.2%	515	8.1%	-	-	-	-	-	-
New 2L Debt	-	-	-	-	-	-	2,713	42.8%	3,852	60.7%	3,717	58.6%
New 2L Debt (Last-Out) ⁽²⁾	-	-	-	-	-	-	1,029	16.2%	1,029	16.2%	1,204	19.0%
CEC Purchased Equity	-	-	-	-	300	4.7%	-	-	-	-	-	-
Cash & Debt Recovery	\$4,442	70.0%	\$4,840	76.3%	\$3,376	53.2%	\$4,188	66.0%	\$5,327	84.0%	\$5,367	84.6%
Equity	54.2% of equity ⁽¹⁾		54.2% of equity ⁽¹⁾		100.0% of equity ⁽¹⁾		90.0% of equity ⁽³⁾		30.0% of equity ⁽³⁾		30.0% of equity ⁽³⁾	
2L / Unsecured Bonds	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
CEC Cash	TBD; Consideration to be provided by CEC											
New Debt												
CEC Purchased Equity												
Cash & Debt Recovery												
Equity												

(1) Equity ownership percentages subject to change. Equity split shown pre-CEC / third party purchase.

(2) Guaranteed by CEC. Last out tranche is not a separate security, but is merely a guaranteed strip.

(3) Assumes CEC receives remaining equity in connection with transaction; details TBD.

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SCENARIO 1: CEC OWNS 10%, 1L OWNS 90%

KEY ASPECTS OF PROPOSAL - SCENARIO 1

- 7.0x pro forma leverage (not including Chester Downs and “other” debt)
 - First lien bank debt through 3.4x leverage at L + 275 bps cash interest
 - Second lien bond debt from 3.4x through 7.0x leverage at L + 750 bps cash interest
 - Last-out tranche from 6.0x through 7.0x leverage guaranteed by CEC
- \$1,250MM CEC contribution in exchange for estate and third party releases, including release of guarantee liability, and 10% of reorganized equity
- \$822MM CEOC balance sheet cash available for restructuring transaction
 - Assumes \$225MM of December second lien interest is not paid
- Bank debt holders receive 95% recovery in cash (30.4%) and debt (64.6%), with remaining debt capacity distributed to first lien noteholders
- Second lien and unsecured recoveries TBD; consideration to be provided by CEC

PRO FORMA CAPITAL STRUCTURE

Scenario 1 – Pro Forma Capital Structure (\$MM)

	Amount Outstanding	Transaction Adjustments	Pro Forma⁽¹⁾ Capital Structure
Bank Debt	\$5,355	(\$1,894)	\$3,461
First Lien Bonds	6,345	(6,345)	-
Chester Downs Bonds	330	-	330
First Lien Debt	\$12,030	(\$8,239)	\$3,791
Second Lien Bonds	5,252	(2,539)	2,713
Guaranteed Last Out Tranche	-	1,029	1,029
Total Secured Debt	\$17,282	(\$9,749)	\$7,533
Guaranteed/Unsecured Bonds	1,025	(1,025)	-
Other Debt ⁽²⁾	109	-	109
Total Debt	\$18,416	(\$10,774)	\$7,642
Cash ⁽³⁾	(1,439)	1,022	(417)
Net Debt	\$16,977	(\$9,752)	\$7,225
	Multiples⁽⁴⁾		Multiples⁽⁴⁾
Bank Debt Leverage	5.2x		3.4x
First Lien Leverage	11.7x		3.7x
Secured Leverage	16.8x		7.3x
Total Leverage	17.9x		7.4x
Net Leverage	16.5x		7.0x

(1) Pro forma indicates aggregate amount of new debt type, not amount received by current class.

(2) Includes capitalized leases, special improvement district bonds and other debt.

(3) Change in cash includes \$200 million of fees and expenses assumed to be paid during restructuring.

(4) Based on Company-projected EBITDA of \$1,029 million for CEOC.

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SCENARIO 2: CEC OWNS 70%, 1L OWNS 30%

KEY ASPECTS OF PROPOSAL - SCENARIO 2

- 7.5x pro forma leverage (not including Chester Downs and “other” debt)
 - First lien bank debt through 2.8x leverage at L + 275 bps cash interest
 - Second lien bond debt from 2.8x through 7.5x leverage at L + 750 bps cash interest
 - Last-out tranche from 6.5x through 7.5x leverage guaranteed by CEC
- \$1,875MM CEC contribution in exchange for estate and third party releases, including release of guarantee liability, and 70% of reorganized equity
- \$822MM CEOC balance sheet cash available for restructuring transaction
 - Assumes \$225MM of December second lien interest is not paid
- Bank debt holders receive 95% recovery in cash (42.0%) and debt (53.0%), with remaining debt capacity distributed to first lien noteholders
- Second lien and unsecured recoveries TBD; consideration to be provided by CEC

PRO FORMA CAPITAL STRUCTURE

Scenario 2 – Pro Forma Capital Structure (\$MM)

	Amount Outstanding	Transaction Adjustments	Pro Forma⁽¹⁾ Capital Structure
Bank Debt	\$5,355	(\$2,519)	\$2,836
First Lien Bonds	6,345	(6,345)	-
Chester Downs Bonds	330	-	330
First Lien Debt	\$12,030	(\$8,864)	\$3,166
Second Lien Bonds	5,252	(1,400)	3,852
Guaranteed Last Out Tranche	-	1,029	1,029
Total Secured Debt	\$17,282	(\$9,235)	\$8,048
Guaranteed/Unsecured Bonds	1,025	(1,025)	-
Other Debt ⁽²⁾	109	-	109
Total Debt	\$18,416	(\$10,259)	\$8,157
Cash ⁽³⁾	(1,439)	1,022	(417)
Net Debt	\$16,977	(\$9,237)	\$7,740
	Multiples⁽⁴⁾		Multiples⁽⁴⁾
Bank Debt Leverage	5.2x		2.8x
First Lien Leverage	11.7x		3.1x
Secured Leverage	16.8x		7.8x
Total Leverage	17.9x		7.9x
Net Leverage	16.5x		7.5x

(1) Pro forma indicates aggregate amount of new debt type, not amount received by current class.

(2) Includes capitalized leases, special improvement district bonds and other debt.

(3) Change in cash includes \$200 million of fees and expenses assumed to be paid during restructuring.

(4) Based on Company-projected EBITDA of \$1,029 million for CEOC.

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SCENARIO 3: CEC CONTRIBUTES ASSETS

KEY ASPECTS OF PROPOSAL - SCENARIO 3

- CEC agrees to transfer Octavius Tower, The Cromwell and Harrah's New Orleans to CEOC in exchange for estate and third party releases, including release of guarantee liability, and 70% of reorganized equity

- 8.0x pro forma leverage (not including Chester Downs and "other" debt) due to higher quality EBITDA resulting from asset transfers
 - First lien bank debt through 3.9x leverage at L + 275 bps cash interest

 - Second lien bond debt from 3.9x through 8.0x leverage at L + 750 bps cash interest
 - Last-out tranche from 7.0x through 8.0x leverage guaranteed by CEC

- \$822MM CEOC balance sheet cash available for restructuring transaction
 - Assumes \$225MM of December second lien interest is not paid

- Bank debt holders receive 95% recovery in cash (7.0%) and debt (88.0%), with remaining debt capacity distributed to first lien noteholders

- Second lien and unsecured recoveries TBD; consideration to be provided by CEC

PRO FORMA CAPITAL STRUCTURE

Scenario 3 – Pro Forma Capital Structure (\$MM)

	Amount Outstanding	Transaction Adjustments	Pro Forma⁽¹⁾ Capital Structure
Bank Debt	\$5,355	(\$644)	\$4,711
First Lien Bonds	6,345	(6,345)	-
Chester Downs Bonds	330	-	330
First Lien Debt	\$12,030	(\$6,989)	\$5,041
Second Lien Bonds	5,252	(1,535)	3,717
Guaranteed Last Out Tranche	-	1,204	1,204
Total Secured Debt	\$17,282	(\$7,320)	\$9,962
Guaranteed/Unsecured Bonds	1,025	(1,025)	-
Other Debt ⁽²⁾	109	-	109
Total Debt	\$18,416	(\$8,345)	\$10,071
Cash ⁽³⁾	(1,439)	1,022	(417)
Net Debt	\$16,977	(\$7,323)	\$9,654
	Multiples⁽⁴⁾		Multiples⁽⁵⁾
Bank Debt Leverage	5.2x		3.9x
First Lien Leverage	11.7x		4.2x
Secured Leverage	16.8x		8.3x
Total Leverage	17.9x		8.4x
Net Leverage	16.5x		8.0x

(1) Pro forma indicates aggregate amount of new debt type, not amount received by current class.

(2) Includes capitalized leases, special improvement district bonds and other debt.

(3) Change in cash includes \$200 million of fees and expenses assumed to be paid during restructuring.

(4) Based on Company-projected EBITDA of \$1,029 million for CEOC.

(5) Based on Company-projected EBITDA of \$1,029 million for CEOC plus \$175 million for transferred properties.

SEPARATION SHEET

Project Julii

First Lien Creditors Discussion Materials

October 15th, 2014

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Proposal Summary

Corporate / Capital Structure

- ▶ The proposal contemplates a REIT structure with a PropCo and OpCo
 - The REIT maximizes value and recoveries for all parties
- ▶ OpCo is projected to have \$394 million of EBITDA and will be levered 7.0x; capital structure consists of:
 - 1L Debt: \$1,969 million of take-back debt at 5.0% (5.0x levered)
 - 2L Debt: \$788 of take-back debt at 7.0% (7.0x levered)
 - Reduced dollar for dollar with free cash flow generated during Chapter 11; assuming an illustrative \$400 million of cash flow, 2L debt would be \$388 or 6 cents of recovery to the 1Ls
- ▶ PropCo is projected to have \$635 million of EBITDA; capital structure consists of:
 - 1L Debt: \$2,377 million of take-back debt at 4.0% (5.0x levered)
 - 2L Debt: \$1,017 of take-back debt at 7.0% (7.1x levered)
 - CPLV Property Debt: \$2,600 million of real estate debt at 4.0%
 - Expected to be sold to market

CEC Contribution

- ▶ CEC will contribute \$901 million of cash to the restructuring
 - \$100 million will be used to pay down existing debt
 - \$394 million will offer to buy 100% of OpCo equity⁽¹⁾
 - \$407 million will offer to buy 22.4% of PropCo equity
 - Backstop parties can buy OpCo or PropCo

(1) Assumes backstop parties select PropCo..

Proposal Summary (continued)

Rights Offering

- ▶ The proposal contemplates a fully funded \$1,602 million rights offering
 - \$801 million from CEC, assuming creditors choose PropCo equity
 - \$394 million will buy 100% of OpCo equity
 - \$407 million will buy 22.4% of PropCo equity
 - \$801 million fully backstopped and offered to 1Ls, \$400 million of which can be in form of convertible preferred at funder's option
 - Buys 44.0% of PropCo equity
 - 2L can step into rights if the class accepts the plan

Recoveries

- ▶ Banks will receive a 100% recovery in the form of 35.1% cash and 64.9% of debt
- ▶ 1Ls will receive a 90% recovery in the form of 48.0% cash and 42.0% of debt
 - 1Ls will also be granted the right to participate in the \$801 million rights offering
- ▶ 2Ls will receive 33.6% of the PropCo equity and have the right to participate in the \$801 millions rights offering if the class accepts the plan
 - If the 2Ls do not consent they will receive value on account of their share of the unencumbered assets

Capital Structure

<i>(\$ in millions)</i>	OpCo		PropCo		Combined	
Valuation						
EBITDA (Excl. CPLV)	\$295		\$475		\$770	
CPLV EBITDA	99		160		259	
Total EBITDA	\$394		\$635		\$1,029	
Capital Structure						
	\$	Lev.	\$	Lev.	\$	Lev.
First Lien Debt	\$1,969	5.0x	\$2,377	5.0x	\$4,346	4.2x
Second Lien Debt	788	2.0x	1,017	2.1x	1,805	1.8x
CPLV Property Debt	–		2,600		2,600	
Total Debt	2,756	7.0x	5,994	9.4x	8,750	8.5x
Equity ⁽¹⁾	394		1,818		2,212	
Cash Flow						
	\$	Int. Rate	\$	Int. Rate	\$	Int. Rate
EBITDA	\$394		\$635		\$1,029	
(-) CapEx	(174)		(58)		(233)	
(-) Other & Non-Operating	(60)		(12)		(72)	
EBITDA - CapEx	159		565		724	
(-) First Lien Interest	(98)	5.0%	(95)	4.0%	(194)	4.5%
(-) Second Lien Interest	(55)	7.0%	(71)	7.0%	(126)	7.0%
(-) CPLV Property Interest	–	–	(104)	4.0%	(104)	4.0%
EBT	6		294		300	
(-) Taxes (40% @ OpCo)	(2)		–		(2)	
FCF	\$3		\$294		\$298	
<i>Total Interest Assuming no Adequate Prot. Pmt.</i>	<i>\$154</i>		<i>\$270</i>		<i>\$424</i>	
Memo:						
FCF Assuming \$300m Adequate Prot. Pmt.	\$13		\$294		\$308	
FCF Assuming \$400m Adequate Prot. Pmt.	17		294		311	
FCF Assuming \$500m Adequate Prot. Pmt.	20		294		315	

Cash Raised, Equity Ownership & Credit Statistics

(\$ in millions)	OpCo		PropCo		Combined	
	\$	%	\$	%	\$	%
Bank Debt Recoveries						
Balance Sheet Cash	\$409	7.6%	\$0	–	\$409	7.6%
CPLV Financing	–	–	1,472	27.5%	1,472	27.5%
CEC Purchased Equity	–	–	–	–	–	–
Rights Offering Proceeds	–	–	–	–	–	–
Cash	409	7.6%	1,472	27.5%	1,881	35.1%
First Lien Debt	1,577	29.4%	1,905	35.5%	3,482	64.9%
Second Lien Debt	–	–	–	–	–	–
Cash & Debt	1,986	37.0%	3,377	63.0%	5,363	100.0%
Equity	–	–	–	–	–	–
Total Recovery	\$1,986	37.0%	\$3,377	63.0%	\$5,363	100.0%
First Lien Recoveries						
Balance Sheet Cash	\$313	4.9%	\$0	–	\$313	4.9%
CPLV Financing	–	–	1,128	17.8%	1,128	17.8%
CEC Purchased Equity	394	6.2%	407	6.4%	801	12.6%
Rights Offering Proceeds	–	–	801	12.6%	801	12.6%
Cash	707	11.1%	2,336	36.8%	3,043	48.0%
First Lien Debt	391	6.2%	472	7.4%	864	13.6%
Second Lien Debt	788	12.4%	1,017	16.0%	1,805	28.4%
Cash & Debt	1,886	29.7%	3,825	60.3%	5,711	90.0%
Equity	–	–	–	–	–	–
Total Recovery	\$1,886	29.7%	\$3,825	60.3%	\$5,711	90.0%

Recoveries

<i>(\$ in millions)</i>	OpCo	PropCo	Combined
Cash Raised / Used	\$	\$	\$
CEOC Balance Sheet	\$622	\$0	\$622
CEC Contribution	100	-	100
Balance Sheet Cash	722	-	722
CPLV Financing	-	2,600	2,600
CEC Purchased Equity	394	407	801
Rights Offering Proceeds	-	801	801
Total Cash	\$1,116	\$3,808	\$4,924
Equity Ownership - With 2L Consent	%	%	%
First Lien	-	-	-
Second Lien	-	33.6%	27.6%
CEC	100.0%	22.4%	36.2%
Rights Offering	-	44.0%	36.2%
Total	100.0%	100.0%	100.0%
Equity Ownership - Without 2L Consent	%	%	%
First Lien	-	-	-
Second Lien	-	-	-
CEC	100.0%	33.7%	50.0%
Rights Offering	-	66.3%	50.0%
Total	100.0%	100.0%	100.0%
Credit Metrics			
EBITDA / Interest	2.6x	2.4x	2.4x
(EBITDA - CapEx) / Interest	1.0x	2.1x	1.7x
FCF Yield	0.9%	16.2%	13.5%

OpCo 2L Sensitivities

CEOC assumed to use 100% of FCF to reduce OpCo 2L.

(\$ in millions)	Bankruptcy Free Cash Flow				
	\$0	\$200	\$400	\$600	\$788
Non-OpCo 2L Recovery	77.6%	80.8%	83.9%	87.1%	90.0%
OpCo 2L Recovery	12.4%	9.3%	6.1%	3.0%	–
Total Recovery to 1Ls	90.0%	90.0%	90.0%	90.0%	90.0%

SEPARATION SHEET



1L Noteholders' Response to Caesars October 15, 2014 Proposal

October 17, 2014

KEY ASPECTS OF 1L NOTEHOLDERS' RESPONSE

The following adjustments to be made to Caesars October 15, 2014 proposal

- OpCo 2L debt to be shared pro rata between bank debt holders (“Banks”) and 1L noteholders
 - 1L noteholders to receive incremental PropCo 1L debt equal to the amount of OpCo 2L debt received by Banks as a result of pro rata sharing
- Adequate protection payment package acceptable to 1L noteholders on terms no less favorable than those provided to any other 1L creditor
- PropCo 1L debt to be increased by \$190MM and distributed to 1L noteholders
- 1L noteholders to receive 10.0% of PropCo equity; thereby reducing the percentage equity distributable to 2L noteholders in a consensual plan
- CEC to guarantee OpCo’s lease payment obligations to PropCo
- 1L debt securities at OpCo and PropCo to have a maturity of 5 years; 2L debt securities at OpCo and PropCo to have a maturity of 5.5 years
 - Interest rates TBD, such that PropCo debt trades at par
 - OpCo debt to have an escalating call schedule to incentivize refinancing
- Any excess proceeds of rights offering, or excess cash flow after adequate protection payments generated during the case, to be used to pay down OpCo 2L debt

PROPOSAL COMPARISON

■ Pro Forma Leverage

- OpCo: same as Caesars October 15, 2014 proposal
- PropCo: debt increased by \$190MM increases PropCo leverage by 0.4x

PropCo Leverage Comparison (\$MM)						
	Caesars 10-15 Proposal		1L Response 10-16		Difference	
	Amount	Multiple ⁽¹⁾	Amount	Multiple ⁽¹⁾	Amount	Multiple
1L Debt	\$2,377	5.0x	\$2,567	5.4x	\$190	0.4x
2L Debt	1,017	2.1x	1,017	2.1x	-	0.0x
Other Debt	439	0.9x	439	0.9x	-	0.0x
Total	\$3,833	8.1x	\$4,023	8.5x	\$190	0.4x

■ Pro Forma Cash Flow

- OpCo: same as Caesars October 15, 2014 proposal
- PropCo: increased debt of \$190MM at Caesars' proposed 4.0% interest rate reduces PropCo free cash flow by \$8MM

PropCo Cash Flow Comparison (\$MM)						
	Caesars 10-15 Proposal		1L Response 10-16		Difference	
	Amount	Int. Rate ⁽²⁾	Amount	Int. Rate ⁽²⁾	Amount	Int. Rate
EBITDA ⁽¹⁾	\$475	N/A	\$475	N/A	-	N/A
CapEx	(70)	N/A	(70)	N/A	-	N/A
1L Interest	(95)	4.0%	(103)	4.0%	(8)	-
2L Interest	(71)	7.0%	(71)	7.0%	-	-
Other Interest	(36)	8.2% ⁽³⁾	(36)	8.2% ⁽³⁾	-	-
Cash Flow	\$203		\$195		(\$8)	

(1) EBITDA of \$475 million excludes \$160 million of pass through payments to CPLV.

(2) Indicates illustrative interest rates outlined in the Caesars October 15, 2014 proposal, actual rates TBD.

(3) Represents weighted average interest rate on Chester Downs (9.25%) and Other (5.00%) debt.

ILLUSTRATIVE RECOVERIES AND OWNERSHIP

Illustrative 1L Noteholders' Consideration (\$MM)

	Face Consideration	
	Amount	% of Claim
CEOC Balance Sheet Cash	\$313	4.9%
CEC Cash for Paydown	-	-
Proceeds from CPLV Debt	1,128	17.8%
CEC Cash for Equity	801	12.6%
3rd Party Cash for Equity	801	12.6%
Total Cash	\$3,043	48.0%
New PropCo 1L Debt	662	10.4%
PropCo 1L Swapped for OpCo 2L	361	5.7%
New PropCo 2L Debt	1,017	16.0%
New OpCo 1L Debt	391	6.2%
New OpCo 2L Debt ⁽¹⁾	427	6.7%
Total Debt	\$2,858	45.0%
Total Debt and Cash	\$5,901	93.0%
1L Noteholder Claim	\$6,345	

Illustrative Banks' Consideration (\$MM)

	Face Consideration	
	Amount	% of Claim
CEOC Balance Sheet Cash	\$309	5.8%
CEC Cash for Paydown	100	1.9%
Proceeds from CPLV Debt	1,472	27.4%
CEC Cash for Equity	-	-
3rd Party Cash for Equity	-	-
Total Cash	\$1,881	35.1%
New PropCo 1L Debt	1,544	28.8%
New PropCo 2L Debt	-	-
New OpCo 1L Debt	1,577	29.4%
OpCo 2L Swapped for PropCo 1L ⁽¹⁾	361	6.7%
Total Debt	\$3,482	64.9%
Total Debt and Cash	\$5,363	100.0%
Bank Claim	\$5,363	

Pro Forma PropCo Ownership (\$MM)

	CZR 10-15 Proposal		1L Response 10-16	
	2L Accept	2L Reject	2L Accept	2L Reject
Banks	-	-	-	-
1L Noteholders	-	-	10.0%	10.0% ⁽²⁾
2L Noteholders	33.6%	-	23.6% ⁽³⁾	TBD ⁽³⁾⁽⁴⁾
CEC	22.4%	33.7%	22.4%	22.4% ⁽⁵⁾
Third Parties	44.0%	66.3%	44.0%	44.0% ⁽⁵⁾
Total	100.0%	100.0%	100.0%	100.0%

Pro Forma Capitalization (\$MM)

	PropCo (ex. CPLV)		OpCo	
	Amount	Multiple	Amount	Multiple
1L Debt	\$2,567	5.4x	\$1,969	5.0x
2L Debt	1,017	2.1x	788 ⁽¹⁾	2.0x
Other Debt ⁽⁶⁾	439	0.9x	-	0.0x
Total Debt	\$4,023	8.5x	\$2,757	7.0x
EBITDA	\$475⁽⁷⁾		\$394	

- (1) Subject to reduction by the amount of excess cash generated during chapter 11, after making adequate protection payments, or from excess proceeds of rights offering. Such cash will be distributed pro rata to holders of OpCo 2L debt.
- (2) 1L noteholders will not waive deficiency claim in any non-consensual plan. Percentage of equity ownership subject to increase, but not decrease, based on 1L noteholders' recoveries from unencumbered estate assets.
- (3) Form of consideration TBD. May include equity or OpCo 2L debt.
- (4) 2L noteholders to receive value equal to pro rata share of unencumbered estate assets.
- (5) Percentage of equity ownership subject to increase based on value in excess of unencumbered estate assets.
- (6) Includes Chester Downs debt of \$330 million and Other debt of \$109 million.
- (7) EBITDA of \$475 million excludes \$160 million of pass through payments to CPLV.

CASH SOURCES & USES

Cash sources come from CEC, CEOC and third-parties; cash uses consist primarily of paydowns to 1L creditors

- Fees and expenses are estimated to be approximately \$200MM

Cash Sources and Uses (\$MM)			
Sources		Uses	
	Amount		Amount
CPLV Debt Proceeds	\$2,600	Cash Paydown to Banks	\$1,881
Illustrative CEOC Balance Sheet Cash ⁽¹⁾	1,439	Cash Paydown to 1L Noteholders	1,441
CEC Cash (for Settlement/Paydown)	100	Equity Purchased from 1L Noteholders	1,602
CEC Cash (for OpCo Equity Purchase)	394	Illustrative PropCo Balance Sheet Cash ⁽²⁾	381
CEC Cash (for PropCo Equity Purchase)	407	Illustrative OpCo Balance Sheet Cash ⁽²⁾	236
3rd Party Cash (for PropCo Equity Purchase)	801	Fees and Expenses	200
Total	\$5,741	Total	\$5,741

- OpCo equity purchased by CEC: \$394MM
- PropCo equity purchased by CEC: \$407MM
- PropCo equity purchased by third-parties: \$801MM

Pro Forma Equity Ownership			
PropCo ⁽³⁾		OpCo	
Party	Ownership	Party	Ownership
Banks	-	Banks	-
1L Noteholders	10.0%	1L Noteholders	-
2L Noteholders	23.6%	2L Noteholders	-
CEC	22.4%	CEC	100.0%
Third-Parties	44.0%	Third-Parties	-
Total	100.0%	Total	100.0%

Note: Please see slide 3 for a detailed overview of consideration given to Banks and 1L noteholders.

(1) Source: Miller Buckfire presentation "First Lien Noteholders' Discussion Materials" dated September 18, 2014, slide 5.

(2) Ending balance sheet cash is assumed to be split pro rata based on EBITDA generated by each entity.

(3) Assumes 2L noteholders accept restructuring transaction.

SEPARATION SHEET

Confidential
Prepared at the Direction of Counsel
For Settlement Purposes Only

Project Julii

Revised Proposal to First Lien Noteholders

October 24th, 2014

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Revised Proposal Summary

- ▶ CEC increases contribution from \$900mm to \$1,100mm
- ▶ OpCo substantially deleveraged from 7.0x to 5.3x via (i) \$700mm cash equity from CEC (vs \$394mm) and (ii) movement of OpCo 2L debt to PropCo equity (resulting in \$683mm less total debt at OpCo)
- ▶ Recovery increased from 90.0 cents to 93.8 cents for 1L noteholders
- ▶ \$200mm third party backstop and equity to 1L (can be replaced with cash if backstop grows)
- ▶ CEC guarantees PropCo lease on terms TBD

Summary of Proposals

	10/15 Company Proposal	10/23 Revised Company Proposal
Equity Account	<ul style="list-style-type: none"> ▶ \$801mm backstop from CEC <ul style="list-style-type: none"> • \$394mm into OpCo, \$407mm into PropCo ▶ \$801mm backstop from 3rd parties ▶ \$612mm PropCo equity to 2L if 2L consent 	<ul style="list-style-type: none"> ▶ \$1,000mm backstop from CEC <ul style="list-style-type: none"> • \$700mm into OpCo, \$300mm into PropCo ▶ \$200mm preferred backstop from 3rd parties ▶ \$918mm equity distribution to 1L (can be converted to cash if backstop grows or 2Ls buy equity) ▶ \$612mm PropCo equity to 2L if 2L consent
CEC Contribution	<ul style="list-style-type: none"> ▶ \$801mm for rights + \$100mm to balance sheet = \$901mm total 	<ul style="list-style-type: none"> ▶ \$1,000mm for rights + \$100mm to balance sheet = \$1,100mm total
PropCo / OpCo 1L / 2L Debt Split	<ul style="list-style-type: none"> ▶ 1L noteholders to receive 100% of new 2L debt 	<ul style="list-style-type: none"> ▶ No OpCo 2L debt ▶ Free cash flow during bankruptcy reduces debt dollar for dollar (split TBD)
Debt Maturities	<ul style="list-style-type: none"> ▶ OpCo: 6yr 1L and 7yr 2L ▶ PropCo: 6yr 1L, 6yr CPLV and 7yr 2L 	<ul style="list-style-type: none"> ▶ OpCo: 6yr 1L ▶ PropCo: 5yr 1L, 5yr CPLV and 6yr 2L
Total Recovery	<ul style="list-style-type: none"> ▶ 90.0 cents to 1L 	<ul style="list-style-type: none"> ▶ 93.8 cents to 1L
Adequate Protection	<ul style="list-style-type: none"> ▶ N/A 	<ul style="list-style-type: none"> ▶ Bank debt and 1L bonds treated the same

Proposal Details – CEC Contribution and Capital Structure

	10/15 Company Proposal						10/24 Revised Company Proposal					
CEC contribution												
CEC backstop	801						1,000					
Non-CEC backstop	801						200					
Rights cash	1,602						1,200					
Equity to 1L	-						918					
Equity to 2L	612						612					
Total equity	2,213						2,730					
CEOC cash	622						622					
CEC contribution	100						100					
Total	722						722					
Total CEC cash contribution	901						1,100					
Capital Structure ⁽¹⁾												
	OpCo		PropCo		Combined		OpCo		PropCo		Combined	
EBITDA (ex-CPLV)	295		475		770		295		475		770	
CPLV	99		160		259		99		160		259	
Total	394		635		1,029		394		635		1,029	
	\$	Leverage	\$	Leverage	\$	Leverage	\$	Leverage	\$	Leverage	\$	Leverage
First lien debt	1,969	5.0x	2,377	5.0x	4,346	4.2x	2,073	5.3x	2,377	5.0x	4,450	4.3x
Second lien debt	788	2.0x	1,017	2.1x	1,804	1.8x	-	-	1,425	3.0x	1,425	1.4x
CPLV debt	-	-	2,600	-	2,600	2.5x	-	-	2,600	-	2,600	2.5x
Chester & Other	439	1.1x	-	-	439	1.1x	439	1.1x	-	-	439	0.4x
Total	3,195	8.1x	5,994	9.4x	9,189	9.6x	2,512	6.4x	6,402	10.1x	8,914	8.7x
Preferred	-	-	-	-	-	-	-	-	200	-	200	-
Equity	394	-	1,820	-	2,213	-	700	-	1,830	-	2,530	-
Implied TEV	3,589	-	7,813	-	11,402	-	3,212	-	8,432	-	11,644	-
	Maturity	Rate ⁽²⁾	Maturity	Rate ⁽²⁾	Avg. Rate		Maturity	Rate ⁽²⁾	Maturity	Rate ⁽²⁾	Avg. Rate	
First lien debt	6.0	5.0%	6.0	4.0%	4.5%		6.0	5.0%	5.0	4.0%	4.5%	
Second lien debt	7.0	7.0%	7.0	7.0%	7.0%		NA	NA	6.0	7.0%	7.0%	
CPLV debt	NA	NA	6.0	4.0%	4.0%		NA	NA	5.0	4.0%	4.0%	

(1) Cash split between OpCo and PropCo to be consistent with market precedent. Working capital and cage cash expected to remain at OpCo. PropCo to receive amount necessary for liquidity and general corporate purposes. For reference, as of 6/30/14 PENN had \$251mm and GLPI had \$42mm of cash.

(2) OpCo 1st lien debt, PropCo 1st lien debt and CPLV debt expected to be floating-rate at L+350 (1% floor), L+250 (1% floor) and L+250, respectively. LIBOR spreads derived from current 5 year swap rate of 1.61%.

Proposal Details – Equity Ownership and Cash Flow

	10/15 Company Proposal						10/24 Revised Company Proposal					
	OpCo		PropCo		Combined		OpCo		PropCo		Combined	
Equity ownership	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<u>2L Consent (Pref. not Converted)</u>												
1L	-	-	-	-	-	-	-	-	918	50.2%	918	36.3%
2L	-	-	612	33.6%	612	27.6%	-	-	612 ⁽¹⁾	33.4%	612	24.2%
CEC backstop	394	100.0%	407	22.4%	801	36.2%	700	100.0%	300	16.4%	1,000	39.5%
Non-CEC backstop	-	-	801	44.0%	801	36.2%	-	-	-	-	-	-
Total	394	100.0%	1,820	100.0%	2,213	100.0%	700	100.0%	1,830	100.0%	2,530	100.0%
<u>2L Consent (Pref. Converted)</u>												
1L	-	-	-	-	-	-	-	-	918	45.2%	918	33.6%
2L	-	-	612	33.6%	612	27.6%	-	-	612 ⁽¹⁾	30.1%	612	22.4%
CEC backstop	394	100.0%	407	22.4%	801	36.2%	700	100.0%	300	14.8%	1,000	36.6%
Non-CEC backstop	-	-	801	44.0%	801	36.2%	-	-	200	9.9%	200	7.3%
Total	394	100.0%	1,820	100.0%	2,213	100.0%	700	100.0%	2,030	100.0%	2,730	100.0%
<u>Cash flow</u>												
	\$	Interest	\$	Interest	\$	Interest	\$	Interest	\$	Interest	\$	Interest
EBITDA	394		635		1,029		394		635		1,029	
(-) CapEx	(145) ⁽²⁾		(78)		(223)		(145) ⁽²⁾		(78)		(223)	
(-) Other / Non-operating	(88) ⁽²⁾		-		(88)		(88) ⁽²⁾		-		(88)	
EBITDA - Capex	161		557		718		161		557		718	
(-) 1L interest	(98)	5.0%	(95)	4.0%	(194)	4.5%	(104)	5.0%	(95)	4.0%	(199)	4.5%
(-) 2L interest	(55)	7.0%	(71)	7.0%	(126)	7.0%	-	-	(100)	7.0%	(100)	7.0%
(-) CPLV interest	-	-	(104)	4.0%	(104)	4.0%	-	-	(104)	4.0%	(104)	4.0%
(-) Other	(6) ⁽³⁾		-		(6)		(6) ⁽³⁾		-		(6)	
EBT	1		287		288		51		259		310	
(-) Taxes (40%)	(0)		-		(0)		(20)		-		(20)	
FCF	1		287		288		31		259		289	

(1) Potential for 2L recovery to be a mix of PropCo and OpCo equity (up to 25% of OpCo) versus all PropCo equity.

(2) Adjusts for Chester cash flow and non-recurring remediation costs.

(3) Includes interest on slot financing and capital lease.

Proposal Details – Recoveries and Guarantee

	10/15 Company Proposal						10/24 Revised Company Proposal					
	OpCo		PropCo		Combined		OpCo		PropCo		Combined	
Recoveries	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Bank debt												
Balance Sheet	409	7.6%	-	-	409	7.6%	430	8.0%	-	-	430	8.0%
CPLV	-	-	1,472	27.4%	1,472	27.4%	-	-	1,450	27.0%	1,450	27.0%
CEC rights	-	-	-	-	-	-	-	-	-	-	-	-
3rd party rights	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: cash	409	7.6%	1,472	27.4%	1,881	35.1%	430	8.0%	1,450	27.0%	1,881	35.1%
1L debt	1,577	29.4%	1,905	35.5%	3,482	64.9%	1,537	28.7%	1,946	36.3%	3,482	64.9%
2L debt	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: cash + debt	1,986	37.0%	3,377	63.0%	5,363	100.0%	1,967	36.7%	3,396	63.3%	5,363	100.0%
Equity	-	-	-	-	-	-	-	-	-	-	-	-
Total recovery	1,986	37.0%	3,377	63.0%	5,363	100.0%	1,967	36.7%	3,396	63.3%	5,363	100.0%
1L debt												
Balance Sheet	313	4.9%	-	-	313	4.9%	292	4.6%	-	-	292	4.6%
CPLV	-	-	1,128	17.8%	1,128	17.8%	-	-	1,150	18.1%	1,150	18.1%
CEC rights	394	6.2%	407	6.4%	801	12.6%	700	11.0%	300	4.7%	1,000	15.8%
3rd party rights	-	-	801	12.6%	801	12.6%	-	-	200	3.2%	200	3.2%
Subtotal: cash	707	11.1%	2,336	36.8%	3,043	48.0%	992	15.6%	1,650	26.0%	2,642	41.6%
1L debt	392	6.2%	472	7.4%	864	13.6%	536	8.5%	431	6.8%	967	15.2%
2L debt	788	12.4%	1,017	16.0%	1,804	28.4%	-	-	1,425	22.5%	1,425	22.5%
Subtotal: cash + debt	1,886	29.7%	3,825	60.3%	5,711	90.0%	1,528	24.1%	3,506	55.3%	5,034	79.3%
Equity	-	-	-	-	-	-	-	-	918	14.5%	918	14.5%
Total recovery	1,886	29.7%	3,825	60.3%	5,711	90.0%	1,528	24.1%	4,424	69.7%	5,952	93.8%
Guarantee	- No						- Yes					

SEPARATION SHEET

REIT DISCUSSION MATERIALS

November 2014

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II. ILLUSTRATIVE TIMELINE

III. REGULATORY OVERVIEW / IMPLICATION FOR REIT OWNERSHIP

APPENDIX

I. PROCESS AND TRANSACTION STRUCTURE

INTRODUCTION

- The following slides provide an overview of real estate investment trusts (“REITs”) and describe a potential restructuring alternatives involving a REIT that is consistent with the most recent draft of the term sheet.

REIT CONSTRUCT

- Real Estate Investment Trust
 - Tax-advantaged vehicle for holding real estate
 - Corporation whose assets consist almost exclusively of passive real estate investments pays no entity level tax to the extent it distributes its earnings
 - Tax efficient way for non-US and U.S. tax exempt investors to hold US real estate. Distributions are taxed as dividends and are therefore eligible for certain treaty benefits and do not constitute UBTI
 - Market appears to put a premium on REIT shares

- Hotels with casinos constitute good REIT property so long as they are leased to an unrelated operating company (no more than 10% overlapping ownership)

- Penn National Gaming, Inc. (“PENN”) recently split its business into a publicly traded operating company and a publicly traded real property holding company taxed as a REIT

REIT FORMATION TRANSACTIONS AND STRUCTURE – OBJECTIVES OF FORMATION TRANSACTIONS

- Create an Umbrella Partnership Real Estate Investment Trust (“UPREIT”) structure that is IPO ready
- Contribute ownership of existing gaming properties of CEOC without triggering any current tax
- Avoid SEC registration for the issuance of securities to the Contributors in the Formation Transactions
- To the maximum extent, provide common stock in the REIT (as opposed to OP Units) to the Creditors and Backstop Parties
- Minimize transaction costs

REIT FORMATION TRANSACTIONS AND STRUCTURE – UPREIT ADVANTAGES

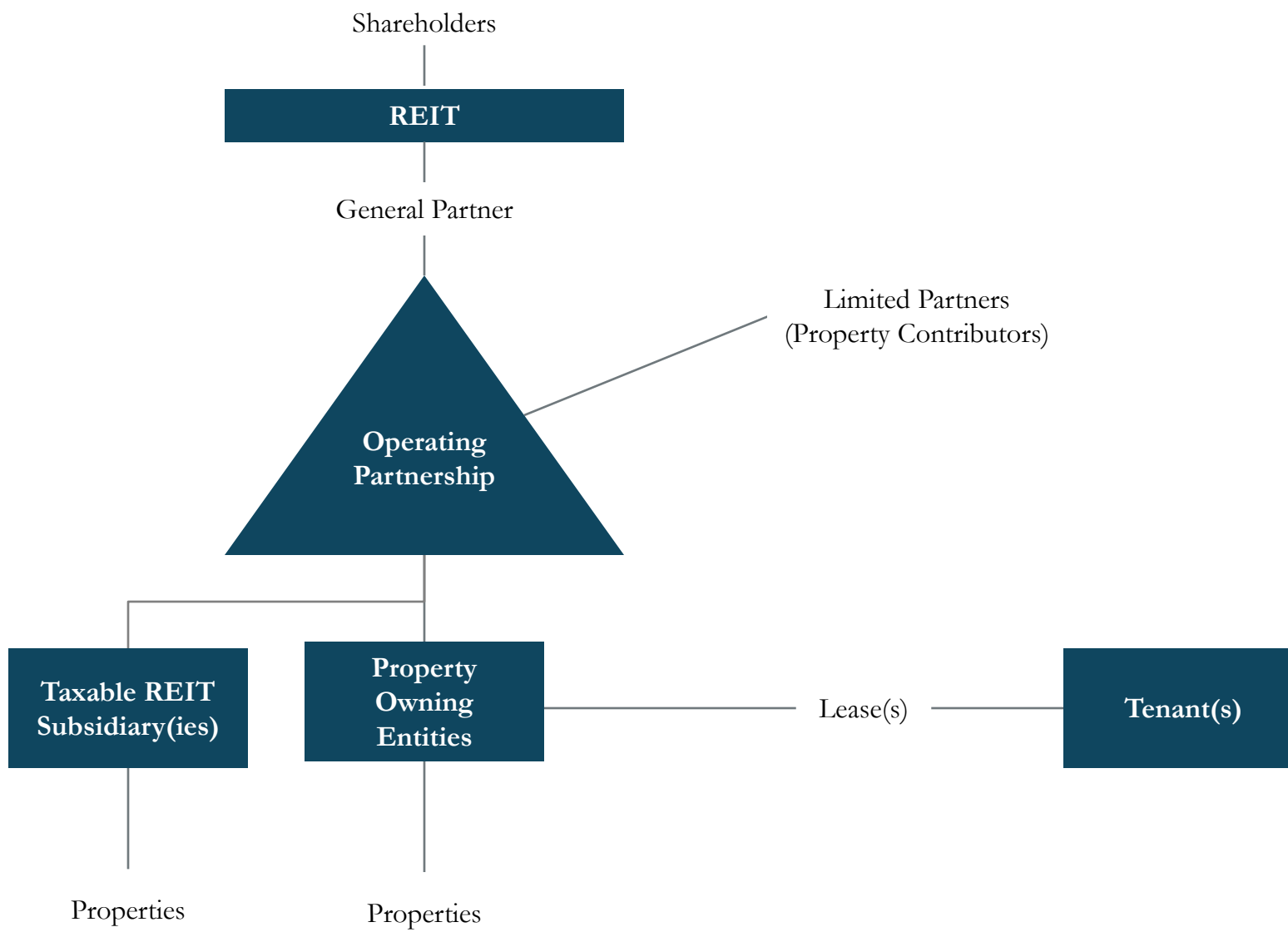
- An UPREIT is the preferred form for publicly held, equity-oriented REITs

- The UPREIT structure generally facilitates the contribution of property by existing owners to achieve the following:
 - No Recognition of Gain on Transaction
 - Ability to defer the period for recognizing built-in gain and/or perpetuate tax deferral for subsequent contributors
 - Equity ownership and participation in growth and price appreciation of the REIT
 - Liquidity of Ownership for all contributors to the REIT or the Operating Partnership

REIT FORMATION TRANSACTIONS AND STRUCTURE – FEATURES OF AN UPREIT

- All properties and other assets are held in the Operating Partnership (i.e., PropCo) or a subsidiary of the Operating Partnership
- PropCo may also form one or more taxable REIT subsidiaries (“TRS”) to hold certain non-real property assets and/or provide services. Any TRS will be subject to U.S. corporate income tax.
- The only asset of the REIT is its partnership interest in the Operating Partnership
- For each share of stock issued by the REIT, the REIT will receive one OP Unit with the identical economic rights and preferences in exchange for the contribution by the REIT of the proceeds of such stock issuance
- Each OP Unit held by a Limited Partner of the Operating Partnership is redeemable into one share of common stock of the REIT (or, at the election of the REIT, a cash payment equal to the current market value of one share of the common stock)
- Distributions are made in accordance with percentage ownership interests (based upon OP Units)
- No limit on additional OP Unit Issuances
- Most public REITs are formed in Maryland as corporations due to low franchise taxes and a legislature that actively follows the REIT industry
- Delaware is most favored jurisdiction for formation of the Operating Partnership

REIT FORMATION TRANSACTION AND STRUCTURE – TYPICAL UPREIT STRUCTURE



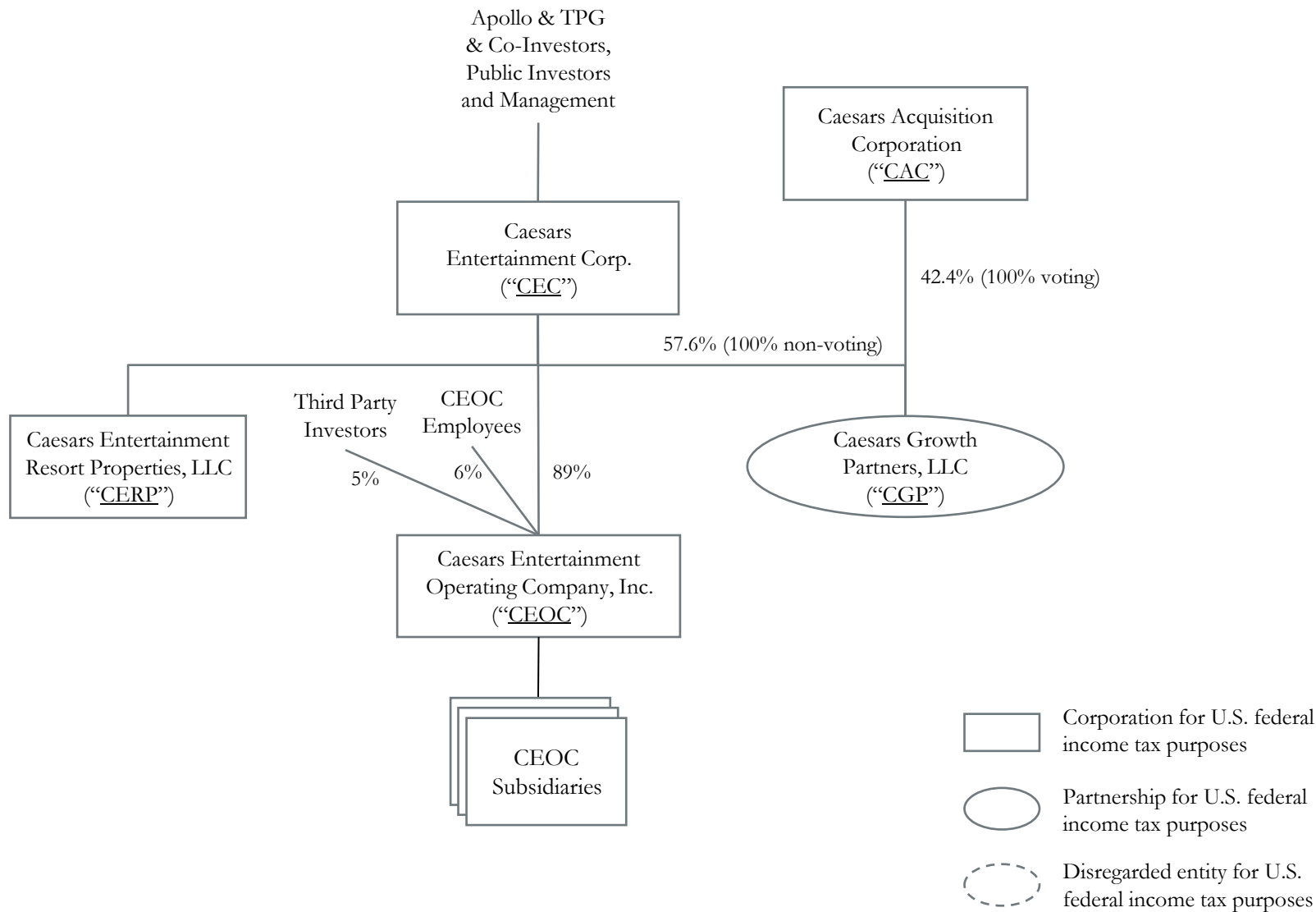
REIT FORMATION TRANSACTIONS AND STRUCTURE – POTENTIAL APPLICATION TO PROJECT RUBICON

- CEOC will contribute gaming properties to PropCo, a new Delaware limited partnership, encumbered with existing debt, with a subsidiary of CEOC acting as the general partner, in exchange for the issuance of limited partnership interests
- PropCo will enter into a master lease agreement with CEOC under which CEOC will lease and operate the contributed properties
- A new Maryland corporation will be incorporated by or on behalf of the creditors and will elect to be treated as a REIT for tax purposes
- Shares in the new Maryland corporation (“REIT”) will initially be issued to CEOC and the Backstop Parties
- Creditors will receive a mixture of cash, CEOC debt, PropCo debt, REIT equity and option to acquire additional REIT shares
- Deferral of Gain
 - CEOC continues to hold an interest in PropCo, directly (will not cause CEOC to be treated as related to the REIT)
 - Contribution of real property to PropCo and issuance of new PropCo equity, along with CEOC’s continuing investment in PropCo should defer triggering CEOC’s significant taxable gain in the contributed assets
 - PropCo will agree to limit sale of PropCo assets and to maintain a certain amount of debt for a period going forward thereby avoiding acceleration of gain, which will eventually be allocated to CEOC
 - As an alternative structure, CEOC could contribute assets directly to the REIT and distribute stock and debt of the REIT in a tax-free spin-off (see Appendix A). Additional costs may be associated with a spin-off structure (e.g., obtaining an IRS letter ruling, special taxable dividend to purge earnings and profits).

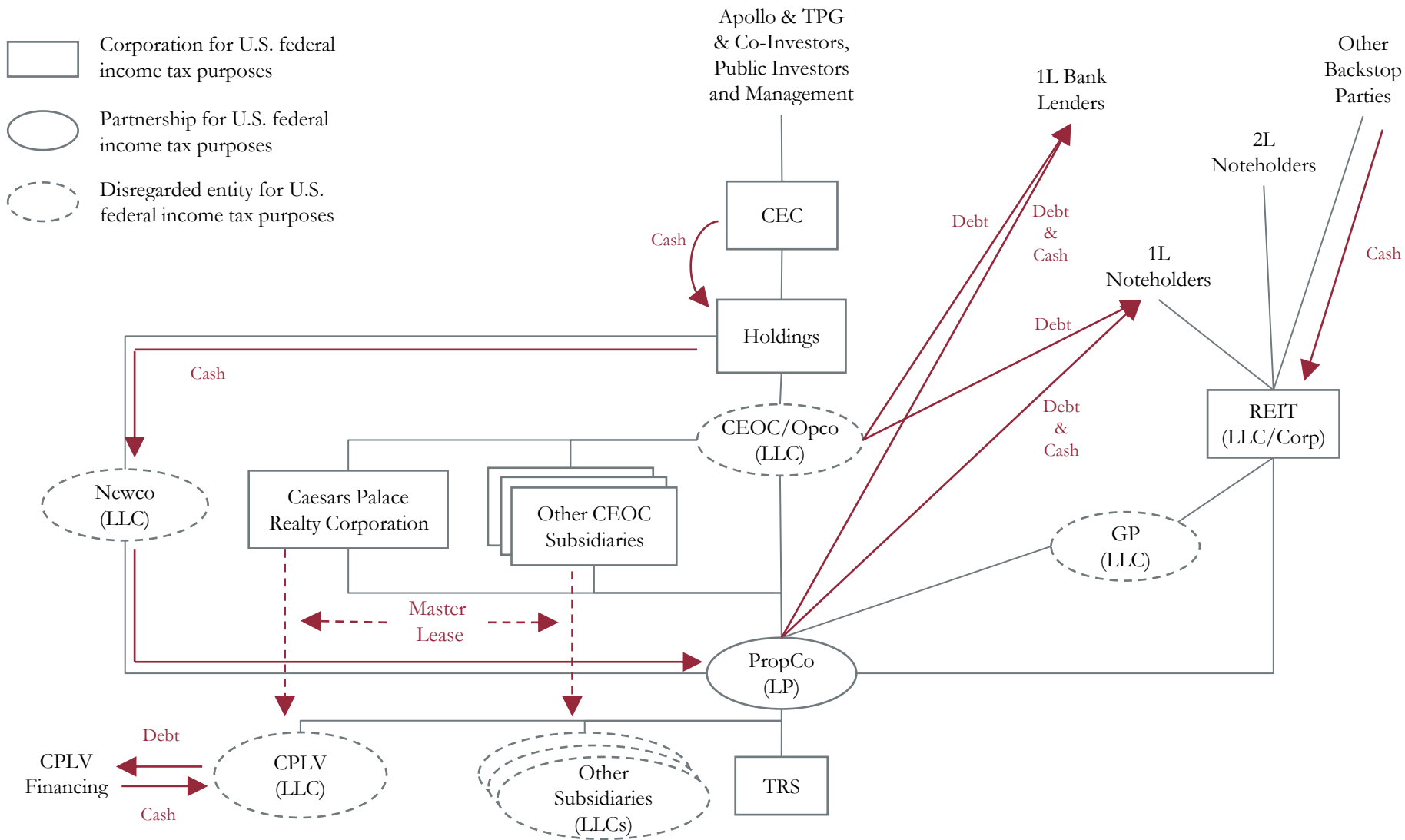
POTENTIAL TAX CONSEQUENCES

- CEOC will be restructured in the most tax efficient manner
- Holders of REIT Shares going forward
 - In order to maintain its REIT status and minimize its direct tax liability, the REIT is expected to distribute 100% of its taxable income each year as a dividend.
 - REIT dividends are taxable to shareholders.
 - When received by corporations REIT dividends are not eligible for the dividends received deduction. REIT dividends are not “qualified dividends” and therefore when received by individuals are taxable at ordinary income tax rates.
 - For foreign holders REIT dividends are subject to US withholding, but typically at reduced rates under most income tax treaties.
 - For non-U.S. holders, REIT shares constitute interests in a US Real Property Holding Company subject to US withholding on sale, unless the REIT is a “domestically controlled REIT “(i.e., is owned 50% or more by US holders).
 - REIT dividends do not constitute Unrelated Business Taxable Income (“UBTI”) for holders that are US tax exempt entities.
- Holders of direct Propco interests going forward
 - Holders who would otherwise hold more than 10% of any class of stock of the REIT will need to hold any ownership in excess of 10% directly in the Propco partnership.
 - For US income tax purposes holders of Propco interests will be allocated their share of items of Propco income (rent from Opco) and deduction (e.g., interest on Propco debt). Such income will be income effectively connected with a U.S. trade or business with respect to foreign investors and will be unrelated business taxable income (“UBTI”) to tax exempt investors.
 - Typically holders of Propco interests would be able to exchange their Propco interests for shares in the REIT. Such an exchange would be taxable to the holder but would typically only occur in connection with a liquidity event.

EXISTING STRUCTURE



UPREIT STRUCTURE



SHARE TRANSFERABILITY

- Shares in the REIT may be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) pursuant to U.S. Bankruptcy Code sec. 1145, to the extent the shares or rights to purchase shares are offered under a plan of reorganization in exchange for a claim or principally in exchange for a claim and partly for property or cash, and may otherwise be issued pursuant to a private placement exemption under section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder to eligible holders

- Shares that qualify under Section 1145 for the exception to the registration requirements of the Securities Act will be freely transferable under the Securities Act, except to the extent a person receiving such shares is deemed an underwriter under Section 1145 (e.g., a purchaser holding more than 10% of the outstanding shares). Any shares issued pursuant to a private placement exemption will be subject to restrictions on transfer under the Securities Act

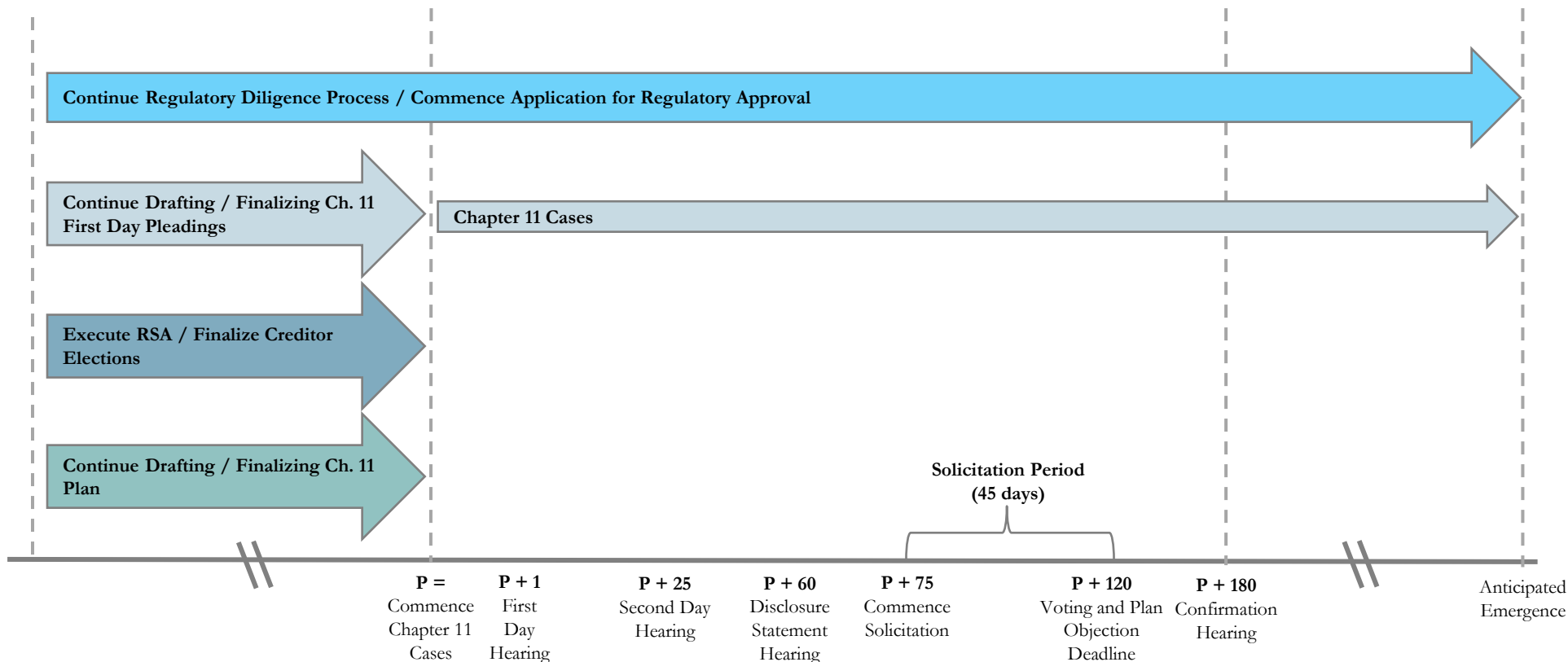
- A holder of restricted securities will be permitted to sell its shares as follows:
 - in compliance with SEC Rule 144, which for non-affiliates under Rule 144 (a) imposes additional conditions including volume, manner of sale and notice requirements and (b) also imposes a six-month holding period if the REIT is a public reporting company and a one-year holding period if the REIT is not a public reporting company, and for affiliates under Rule 144;
 - in compliance with Rule 144A, which permits resales of restricted securities to "qualified institutional buyers" if certain conditions are met (e.g., the availability of certain specified information regarding the issuer); or
 - if such securities are registered for resale with the SEC

REGISTRATION AND LISTING OF SHARES

- The REIT will agree to register its shares of common stock for resale under the Securities Act to the extent the shares issued are not otherwise freely transferable
- The REIT will agree to list its shares of common stock for trading on a national securities exchange (unless it has done so previously) in conjunction with any such registration, subject to satisfaction of the applicable listing criteria
- The REIT may elect to engage in an initial public offering of its shares as part of the registration under the Securities Act and the listing of its shares on a national securities exchange

II. ILLUSTRATIVE TIMELINE

ILLUSTRATIVE TIMELINE⁽¹⁾⁽²⁾⁽³⁾



Notes

- (1) Timeline is illustrative in nature. Actual dates will depend on a number of factors and variables, including receipt of applicable regulatory approvals. Timeline could be significantly delayed depending on nature and extent of potential objections and court scheduling of hearing dates in light of such objections. Timeline could be shortened depending on level of creditor consensus.
- (2) Parties other than “underwriters” under Section 1145 of the Bankruptcy Code may receive freely transferable securities pursuant to section 1145 of the Bankruptcy Code if received in exchange for (or principally in exchange for) a claim. Subject to certain thresholds set forth in the restructuring term sheet, a Form S-11 would be filed to register the resale of the securities that would be received at emergence by persons who do not receive freely transferable securities.
- (3) The REIT may also elect to engage in an initial public offering of its shares, in which case it would file an S-11 registering the primary issuance of its shares to the public.

III. REGULATORY OVERVIEW / IMPLICATION FOR REIT OWNERSHIP

APPLICABLE JURISDICTIONS

- Have conducted preliminary regulatory assessment in all jurisdictions where CEOC owns real estate

- Applicable jurisdictions:
 - Illinois
 - Indiana
 - Iowa
 - Kentucky
 - Louisiana
 - Mississippi
 - Missouri
 - Nevada
 - New Jersey

OVERVIEW OF REGULATORY PROCESS

- Caesars will commence official discussions with regulators as soon as the restructuring is agreed in principle
- Caesars has and will continue to have informal and in-person meetings with regulators on an on-going basis to explain details and terms of the proposed REIT structure as they evolve
- Formal applications for licensing and formal requests for approvals will be filed when deal is definitive and the required data is provided
- Generally, the time frame for obtaining all necessary licensing and/or approvals in order to close the transaction will be approximately six to nine months
- In jurisdictions where any licensing and/or approvals are required, the formal process begins with submission of licensing applications and/or formal requests for approval, and ends with a public hearing and a decision by the regulators
- Caesars' experience indicates that its regulators will work closely and cooperatively with Caesars throughout this process; however, the regulators have absolute discretion in their ultimate decisions and information they request

PRELIMINARY ASSESSMENTS - GENERAL

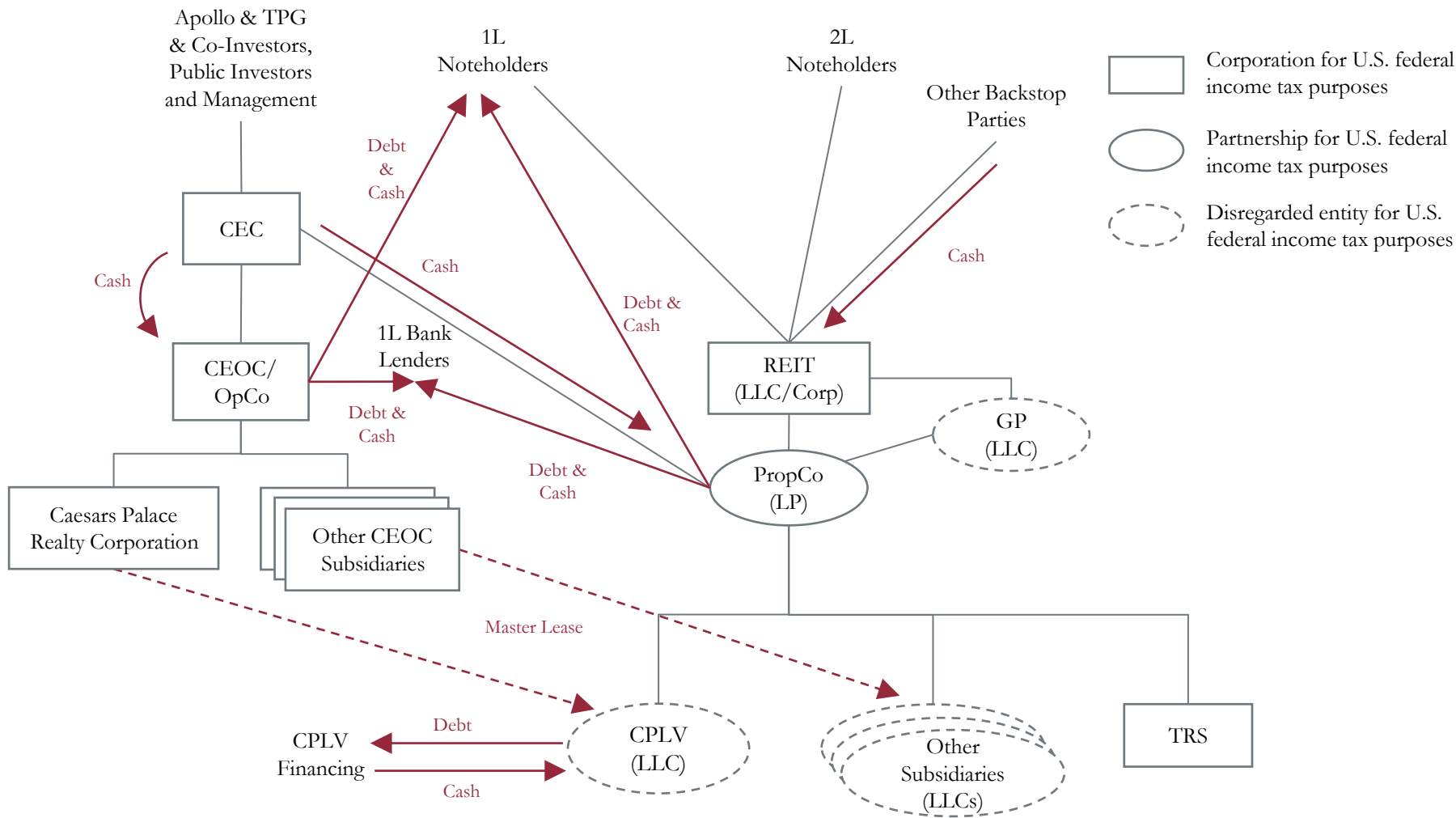
- Other than the Penn transaction⁽¹⁾, there is little precedent on the treatment of REITs by gaming regulators

- Generally, regulatory outcomes will be based on the ultimate structure, including the extent to which, if any:
 - The REIT will have influence or control over the gaming operations
 - The lease payments are tied to gaming revenue or another metric relating to casino performance
 - The lease payments deviate from fair market value lease payments

- Based on the Penn precedent and working with gaming regulatory counsel, Caesars has performed an initial assessment of the most likely regulatory outcome in each of the applicable jurisdictions

APPENDIX

SPIN-OFF STRUCTURE



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SEPARATION SHEET

Caesars Entertainment

Discussion materials

November 2014



Executive summary

- Caesars Entertainment Operating Company (“CEOOC”) is a best-in-class gaming company with a large geographic footprint across the U.S.
 - Diversified asset base with 50 owned or managed properties in 14 U.S. states and 5 countries
 - Superior business model driven by integrated multi-channel distribution network and industry leading loyalty program
 - Brands that are among the most widely recognized in the industry
- 2014 results have been impacted by a range of one-time and non-recurring items
 - On a normalized basis, CEOOC’s core markets are stable
- Through a combination of core business stability, cost reductions and other initiatives, management is committed to a 2015 EBITDA plan of \$1,024m
- Further initiatives, such as resort fees, provide incremental upside vs. base case plan

CEOC is a best-in-class gaming company:

1. Leading assets with significant scale
2. Access to industry leading brands and customer loyalty program
3. Near-term tangible cost reduction and upside opportunities
4. Las Vegas exposure
5. Successful proven management team

I Leading Assets With Significant Scale

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Property location	Property Name	Hotel	Casino			Restaurants		Meeting/
		Rooms/ Suites	Square Footage	Slot Machines	Table Games	Owned	3rd Party	Convention Sq. Ft.
Wholly Owned Properties								
Domestic								
Las Vegas, Nevada	Caesars Palace	4,253	139,229	1,314	186	12	2	300,000
Tunica, Mississippi	Harrah's Tunica (Closed)	1,356	136,000	1,281	66	3	4	28,000
Atlantic City, New Jersey	Caesars Atlantic City	1,141	111,786	2,096	145	4	2	28,590
Atlantic City, New Jersey	Showboat Atlantic City	1,329	108,869	2,181	113	6	3	37,103
Chicago, Illinois area	Horseshoe Hammond (Indiana)	–	108,152	2,965	155	4	1	4,566
Atlantic City, New Jersey	Bally's Atlantic City	1,746	105,684	2,080	139	4	5	63,589
Southern Indiana	Horseshoe Southern Indiana	503	86,600	1,732	105	6	2	24,000
Council Bluffs, Iowa	Horseshoe Council Bluffs	–	78,811	1,611	72	3	–	–
Tunica, Mississippi	Horseshoe Tunica	507	63,000	1,276	87	4	1	20,450
North Kansas City, Missouri	Harrah's North Kansas City	392	60,133	1,496	61	3	1	10,000
Lake Tahoe, Nevada	Harrah's Lake Tahoe	512	45,136	830	74	8	3	18,000
Lake Tahoe, Nevada	Harvey's Lake Tahoe	742	44,180	740	72	6	3	19,000
Reno, Nevada	Harrah's Reno	928	40,200	746	36	3	3	21,765
Mississippi Gulf Coast	Grand Casino Biloxi	494	31,275	754	32	5	–	–
Tunica, Mississippi	Tunica Roadhouse Hotel & Casino	134	31,000	748	26	1	–	–
Metropolis, Illinois	Harrah's Metropolis	258	30,985	1,150	27	3	–	12,000
Bossier City, Louisiana	Horseshoe Bossier City	604	29,332	1,366	73	3	1	21,594
Council Bluffs, Iowa	Harrah's Council Bluffs	251	25,000	587	18	3	–	–
Bossier City, Louisiana	Louisiana Downs	–	11,976	1,052	–	2	1	28,930
Paducah, Kentucky	Bluegrass Downs	–	–	–	–	–	–	–
International								
London Clubs International	9x properties	–	90,446	503	255	10	–	–
Total: wholly-owned		15,150	1,377,794	26,508	1,742	93	32	637,587
Partially Owned Properties								
Domestic								
Chester, Pennsylvania	Harrah's Philadelphia	–	112,627	2,800	126	4	1	12,000
Chicago, Illinois area	Harrah's Joliet (Illinois)	204	38,860	1,133	34	3	–	6,110
International								
Punta del Este, Uruguay	Conrad Punta del Este Resort and Casino	–	–	–	–	–	–	–
South Africa	Emerald Safari (LCI)	186	37,674	546	36	5	4	3,213
Managed Properties								
Domestic								
Cherokee, North Carolina	Harrah's Cherokee	1,108	176,754	3,681	154	6	–	16,626
Cincinnati, Ohio	Horseshoe Cincinnati	–	100,000	1,991	119	2	2	33,000
Cleveland, Ohio	Horseshoe Cleveland	–	96,000	1,781	119	1	3	–
San Diego, California	Harrah's Rincon	662	72,865	1,713	70	7	–	42,914
Cleveland, Ohio	Thistledown Racetrack	–	71,680	1,151	–	4	–	–
Phoenix, Arizona	Harrah's Ak-Chin	300	48,793	1,107	27	4	1	9,441
International								
Ontario, Canada	Caesars Windsor	758	100,000	2,266	86	4	1	75,918
Total CEOC		18,368	2,323,493	45,180	2,768	143	44	836,809



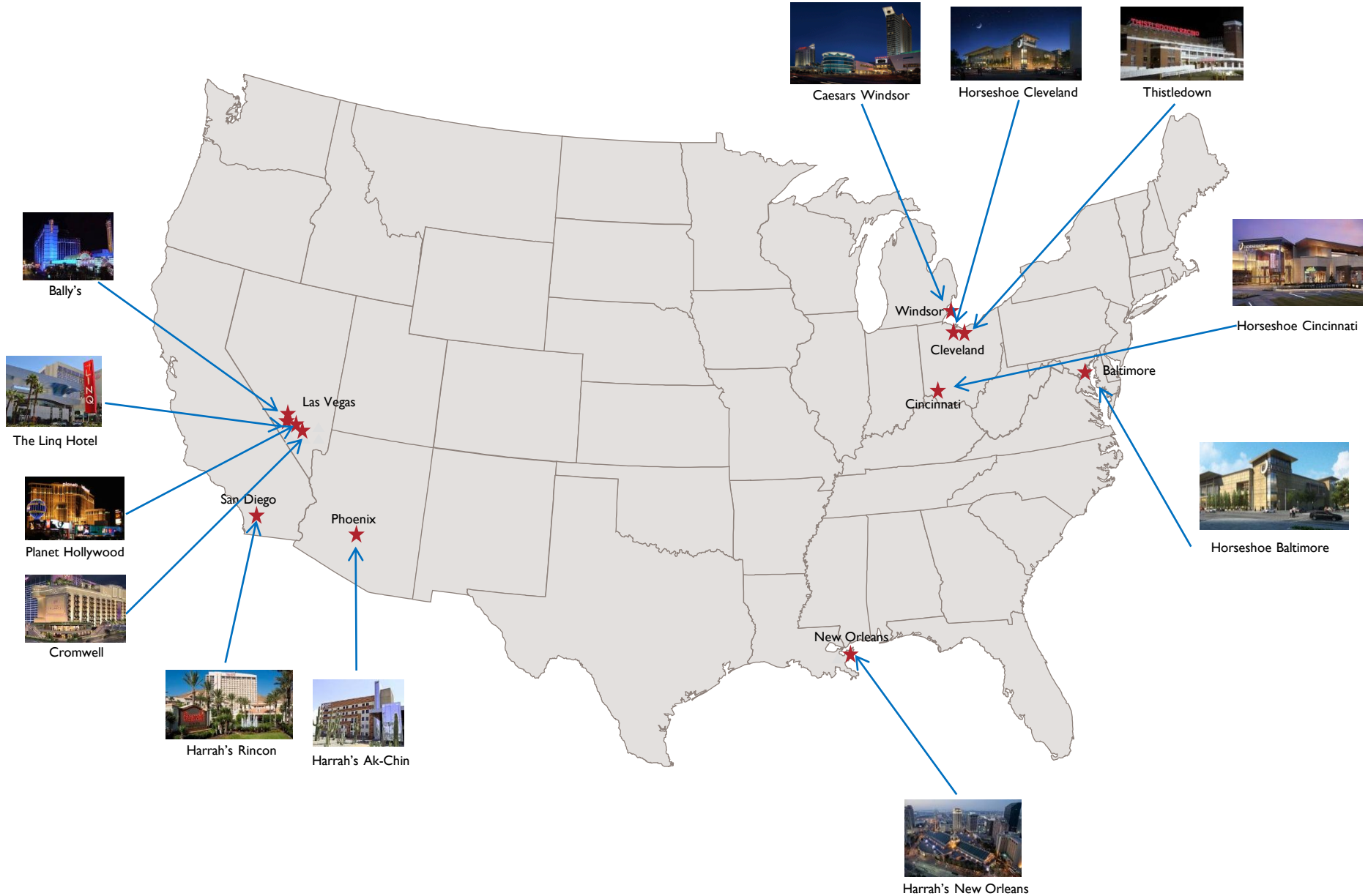
Leading Assets With Significant Scale (cont.)

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I Managed Properties Provide Additional Scale

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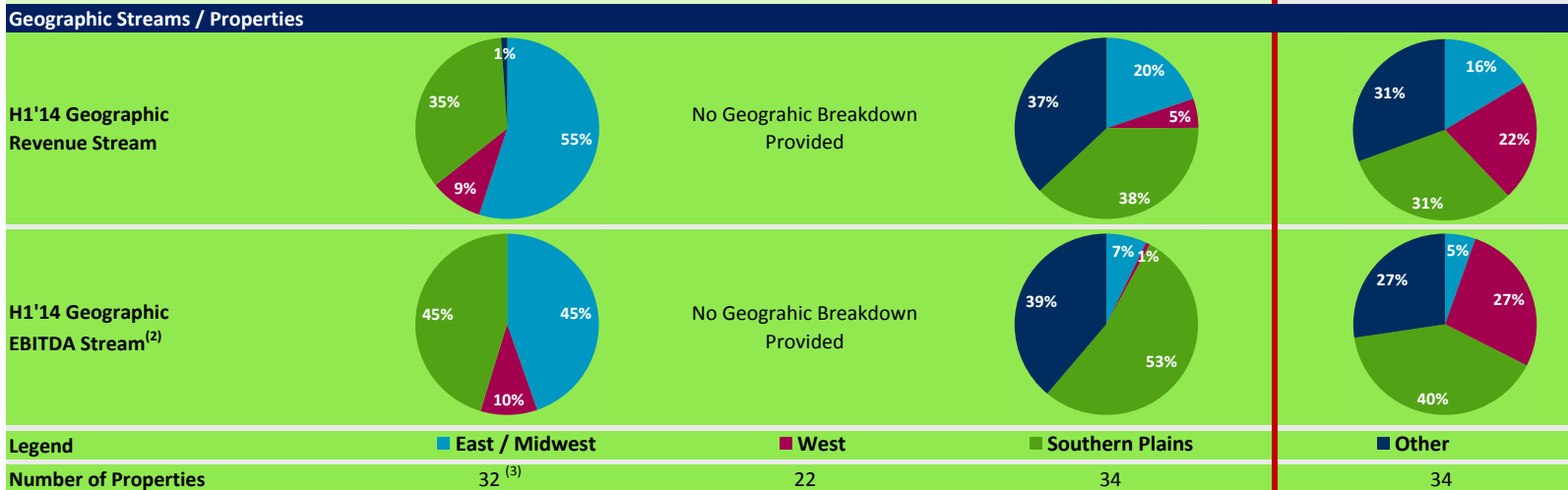


CEOC Compares Favorably to Penn / GLPI DRAFT - Privileged & Confidential

\$ in millions



2015E Figures				
Financials				
Revenue	\$2,678	\$628	\$3,306	\$4,887
EBITDA	\$293	\$445	\$738	\$1,024
EBITDAR	\$711	-	\$711	\$1,024
Margin & Growth				
EBITDA Margin	10.9%	70.9%	22.3%	21.0%
YoY EBITDA Growth	7.6%	2.3%	4.3%	14.1%
Credit Metrics				
EBITDA / Interest	5.64x	3.82x	4.38x	
(EBITDA -CapEx)/Interest	(2.39x)	3.79x	1.89x	
Net Debt / EBITDA	3.89x	5.50x	4.86x	
EBITDAR / Rent	1.70x	N/A	N/A	



(1) Combined PENN & GLPI EBITDA is higher than EBITDAR because GLPI receives a small amount of revenue from sources other than PENN.
 (2) EBITDA percentages calculated excluding Other because Other is negative.
 (3) Includes 22 properties leased from GLPI.

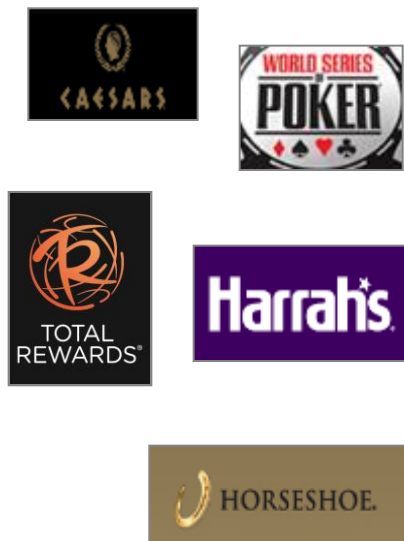
2 Access to Caesars Brands and IP

The key to Caesars' success is the **distribution of compelling brands** to an **expanding base of customers** through their preferred channel, offering **great experiences** connected through **rewards for loyalty**

Affiliated Brands

Caesars Distribution Channels

Customers



Bricks and Mortar







Online



Caesars is continually investing to ensure it remains a leader in marketing and customer loyalty

- Re-launch of Total Rewards in Q1 2012 has yielded significant results
 - Nearly doubled the percentage of non-gaming revenues that are associated with TR members in Las Vegas
- Enhancing database and analytics capabilities to maximize the value of Total Rewards
 - Working with leading startups and established leaders to ensure “Big Data” capabilities remain best-in-class
- Enhancing online and mobile platforms to improve customer acquisition and booking efforts
 - Recently re-launched Caesars.com and completely redesigning mobile Web offering

Total Rewards Program







Unmatched scale

- 46 million tracked player base
- 6.8 million active (LTM as of 7/31/14)


Largest network

- Accepted at 37 casinos in North America




Unparalleled options

- Reward Credits earned and redeemed across all properties
- TR Marketplace: 2,000 online retailers and over 50,000 stores



Drives Cross Market Play ⁽¹⁾

- Tracked Play 79%
- Cross property play 30%



Improves Win Per Position ⁽²⁾

- Destination: 35% fair share premium
- Regional: 20% fair share premium

Total Rewards will be fully integrated with the new retail, dining, and entertainment options at the Linq
Increases customer value proposition for Total Rewards

(1) Tracked play related to CEOC properties as of 9/30/2014. Cross property play as of 7/31/2014.
 (2) Based on CEC LTM fair share in destination and regional markets as of 9/30/2014. Win per position equals gaming revenue / 365 days / (slot units + gaming tables x 6).

2 Access to Total Rewards Drives Fair Share Premium

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Despite the tough operating conditions, CEOC properties have approximately a 20% fair-share premium over the market.

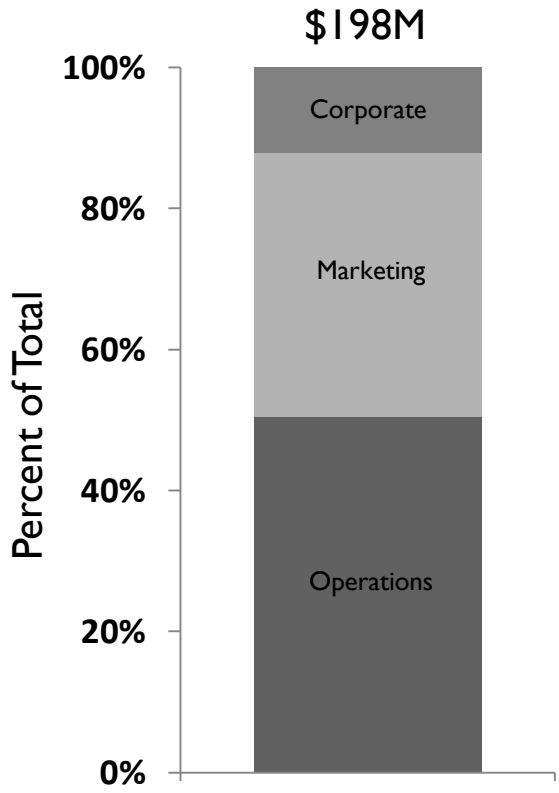
Region	TTM GGR	GGR %	Positions	Positions %	Fair Share
Chicagoland					
CEC	\$640,380,936	32%	5,074	30%	105%
Non-CEC	1,382,280,062	68%	11,748	70%	98%
Market	\$2,022,660,998	100%	16,822	100%	
Bossier					
CEC	\$263,438,027	43%	2,840	34%	126%
Non-CEC	352,344,312	57%	5,525	66%	87%
Market	\$615,782,339	100%	8,365	100%	
N. Kansas City					
CEC	\$174,054,256	30%	1,864	24%	123%
Non-CEC	411,431,841	70%	5,847	76%	93%
Market	\$585,486,097	100%	7,711	100%	
Southern IN / IL					
CEC	\$338,795,436	25%	3,629	23%	109%
Non-CEC	1,009,672,807	75%	12,183	77%	97%
Market	\$1,348,468,243	100%	15,812	100%	
Reno					
CEC	\$52,645,313	12%	961	11%	113%
Non-CEC	383,547,687	88%	8,001	89%	98%
Market	\$436,193,000	100%	8,962	100%	

Region	TTM GGR	GGR %	Positions	Positions %	Fair Share
Tunica					
CEC	\$201,213,145	26%	2,750	23%	115%
Non-CEC	562,701,094	74%	9,221	77%	96%
Market	\$763,914,238	100%	11,971	100%	
Gulf Coast					
CEC	\$67,910,657	6%	930	5%	119%
Non-CEC	1,001,367,945	94%	16,478	95%	99%
Market	\$1,069,278,602	100%	17,408	100%	
Las Vegas					
CEC	\$642,238,323	10%	1,894	3%	299%
Non-CEC	5,878,234,270	90%	55,606	97%	93%
Market	\$6,520,472,593	100%	57,500	100%	
Tahoe					
CEC	\$167,614,411	82%	2,324	63%	129%
Non-CEC	38,011,589	18%	1,342	37%	50%
Market	\$205,626,000	100%	3,667	100%	
Atlantic City					
CEC	\$552,485,588	24%	5,681	23%	104%
Non-CEC	1,766,706,848	76%	19,155	77%	99%
Market	\$2,319,192,436	100%	24,836	100%	

3 Near-Term Tangible Cost Reduction Opportunities DRAFT - Privileged & Confidential

Management has committed to \$198m of initiatives to align costs with current revenue

Distribution of Initiatives



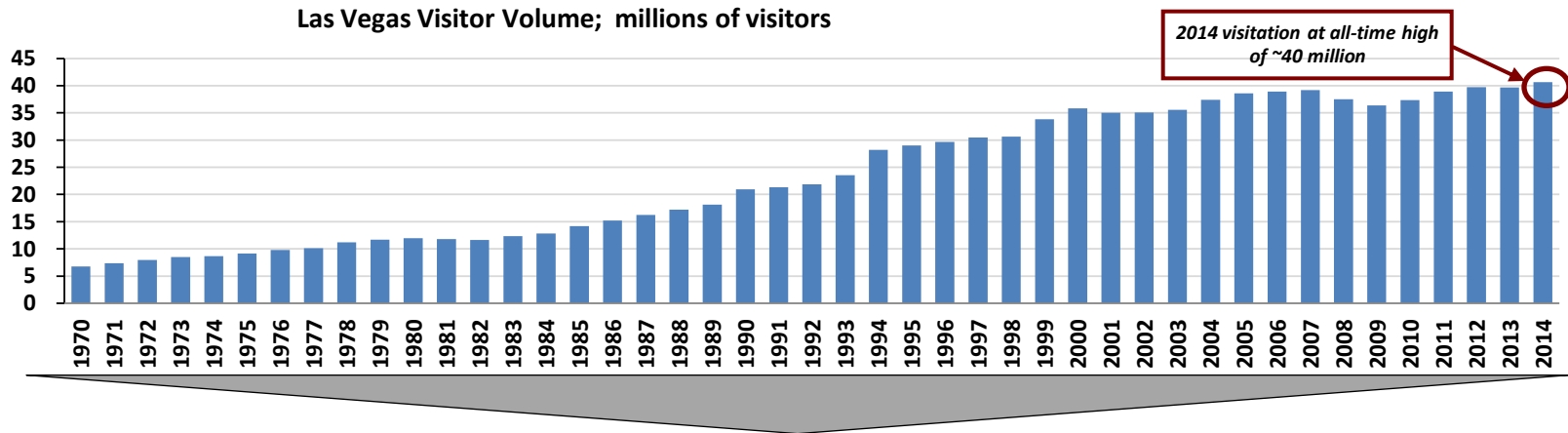
Types of Initiatives

- Pay management bonus in CZR stock or CEC cash
- Professional service reductions
- Advertising reductions
- Reductions to layered customer reinvestment
- Mail cost savings through shift to email
- Charitable reductions
- Property productivity improvements (scheduling, spans)
- Reduction to slot participation fees
- Corporate expense reductions
- F&B pricing increases
- Pass on health care increases to employees
- Workers comp reductions
- Retain revenue from closed properties
- Realize growth capital returns

The \$198m program size is after a 33% discount. Total gross initiatives totals \$294m

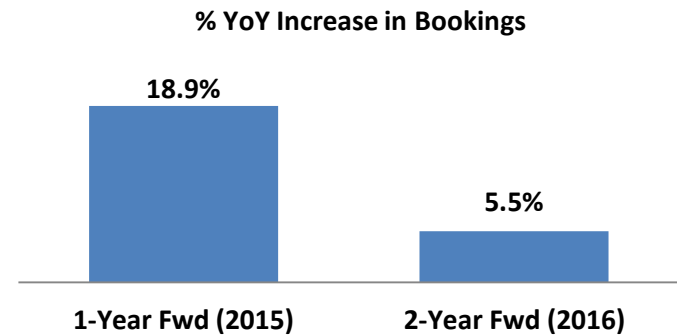
Las Vegas visitor volume at all-time high of ~40 million in 2014

- Between 1970 and 2007, Las Vegas visitation grew at a CAGR of 5.0%
 - Despite declines in 2008 and 2009 from the peak in 2007 due to the broad macroeconomic slowdown, overall visitation continued to increase from 2009 through 2014



Positive group and convention booking trends at Caesars Palace

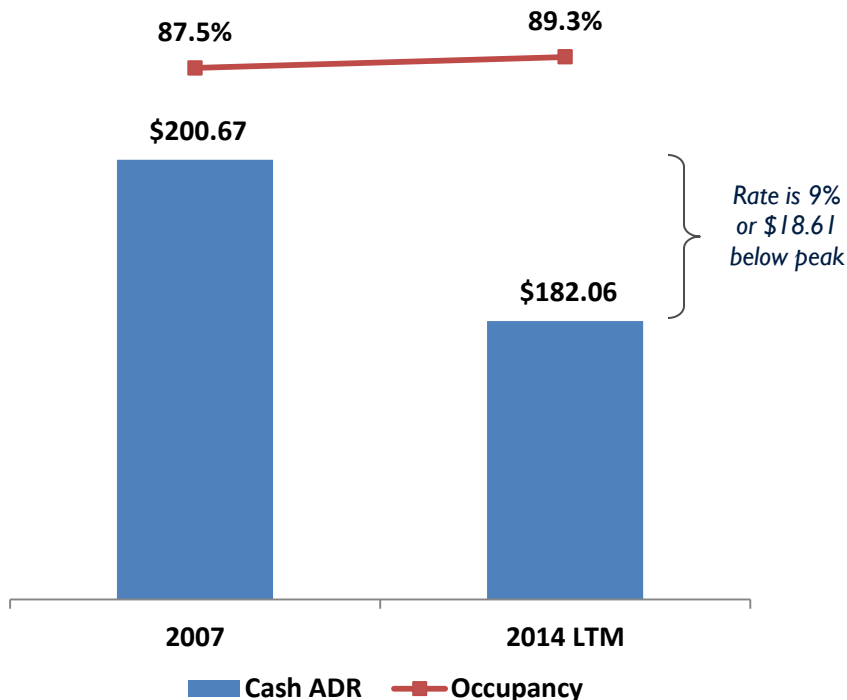
- Experiencing positive booking trends at Caesars Palace
- Return of several city wide Las Vegas conventions in 2015



4 Las Vegas ADR

- Despite a recovery in occupancy levels since the economic downturn, and a steady increase in ADRs since 2009, aggregate RevPAR for the market remains ~16% below 2007 levels

Caesars Palace: Cash ADR and Occupancy



Illustrative EBITDA Impact of ADR Increases

Cash Room Nights (2014 LTM) 920,479

Increase in ADR	Incremental EBITDA (\$m)
\$10.00	\$9
\$18.61	17

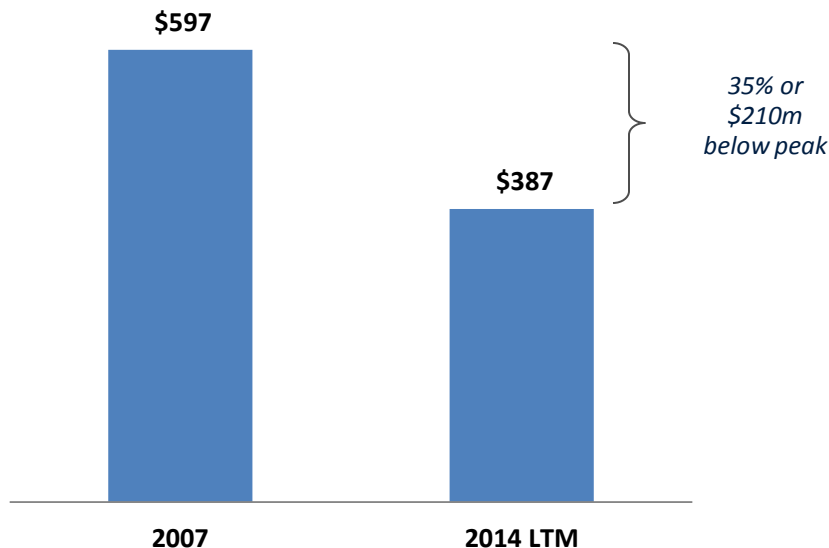
Recovery to 2007 ADR levels would yield ~\$17 million of incremental EBITDA for CEOC

4 Las Vegas Gaming

- CEOC's Las Vegas gross gaming revenue is 3% above peak 2007 levels, however this is due entirely to baccarat
- Excluding baccarat, CEOC's Las Vegas gross gaming revenue is 35% below peak levels

Caesars Las Vegas: Gross Gaming Revenue excl. Baccarat

(\$ in millions)



Illustrative EBITDA Impact of GGR Recovery

(\$ in millions)

Gaming EBITDA Flow-Through (2014 LTM)		183
<u>Increase in Non-Bacc GGR</u>	<u>Incremental EBITDA (\$m)</u>	
\$150	\$100	
\$210	\$140	

Recovery to 2007 Non-Baccarat GGR levels would yield ~\$140 million of incremental EBITDA for CEOC

1 Termination of Executory Contracts

- We expect to pursue the termination of executory contracts through the restructuring process
- Total upside: \$5m - \$10m annually

3 Resort Fee Opportunities

- CEOC is analyzing opportunities to increase resort fee pricing and apply resort fees to a greater percentage of customers
- Total upside: \$2m - \$4m annually

5 Sale of Non-Operating Assets

- We have processes underway to sell Harrah's Tunica and Showboat
- Such sales would provide upfront proceeds and rid CEOC of ongoing carrying costs (taxes, fees, utilities, insurance, etc.)
- Cash flow impact: \$16m - \$37m annually

2 Omnia Nightclub

- Omnia nightclub is an \$85m successor to Pure that is expected to open in Spring 2015. Projections include \$2m of 2015 rent, but do not include benefits to casino or other hospitality offerings at Caesars
- Total Upside: \$3-5m annually

4 Stability in Regional Gaming

- We have planned for a 2.6% reduction in 2015 CEOC GGR based on a continuation of recent trend lines
- If recent sequential improvement continues and flat topline performance is realized, \$20 - \$40m of annual EBITDA upside exists

Upside Opportunities Not Factored Into Forecast (Continued)

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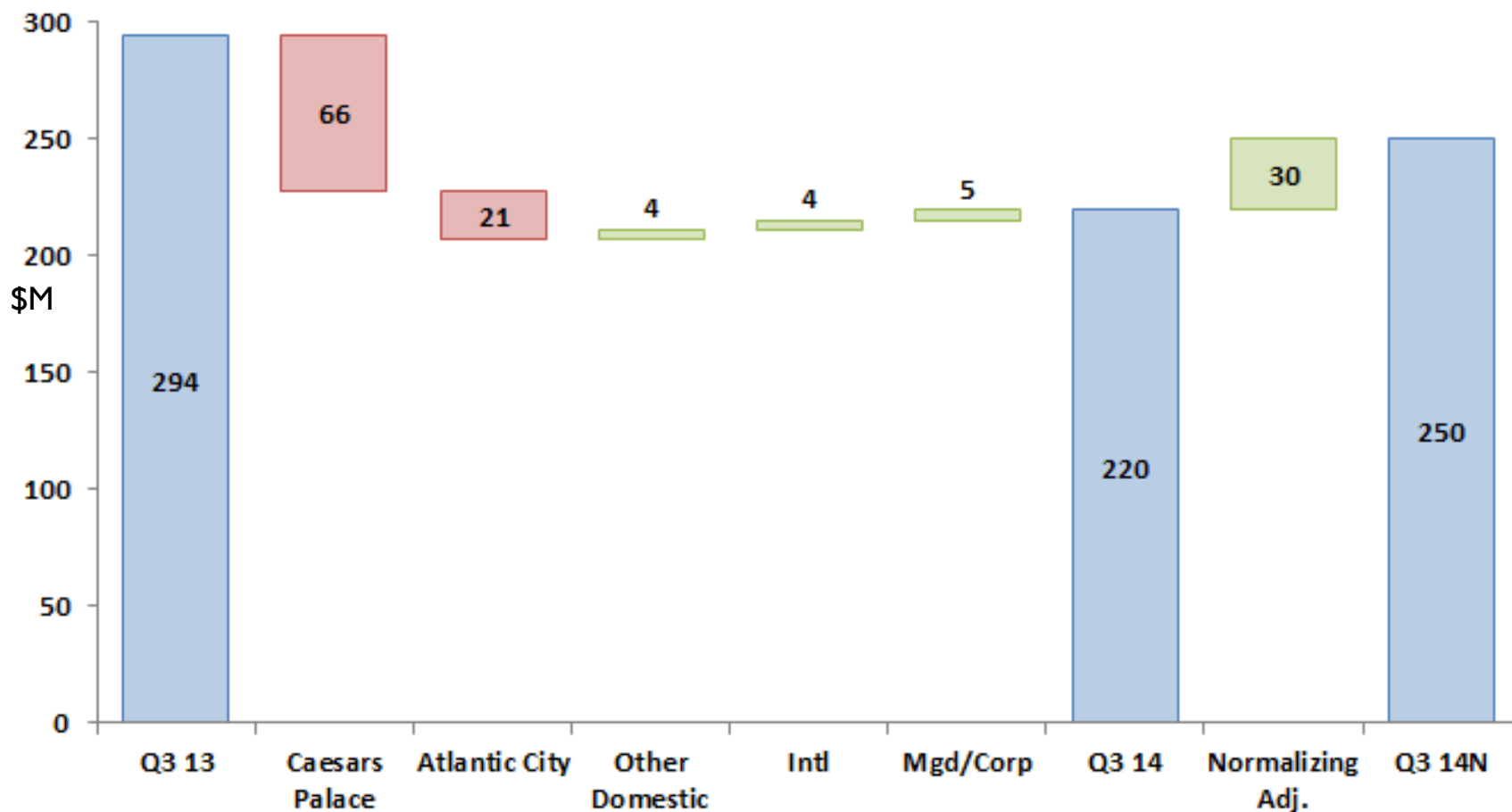
	<u>Low</u>	<u>High</u>
1 Extinguishment of Leases	5	10
2 Omnia Nightclub	3	5
3 Resort Fee Opportunities	2	4
4 Stability in Regional Gaming	20	40
5 Sale of Non-Operating Assets	16	37
Total	\$46m	\$96m

Operating Review

CEOC Adjusted EBITDA Declines in Q3 Were

Attributable to Caesars Palace and Atlantic City

CEOC Q3 Adjusted EBITDA Bridge

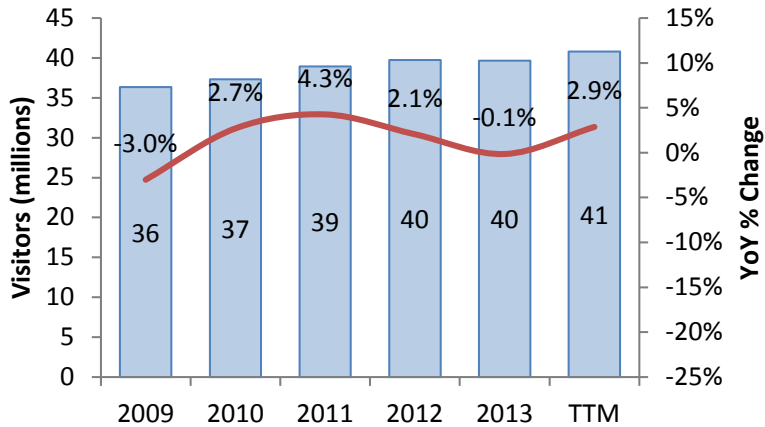


Normalizing adjustments includes: Adverse Caesars Palace hold, Caesars Palace business disruption, Celine show cancellations, non-recurring AC marketing investment to retain Showboat customers

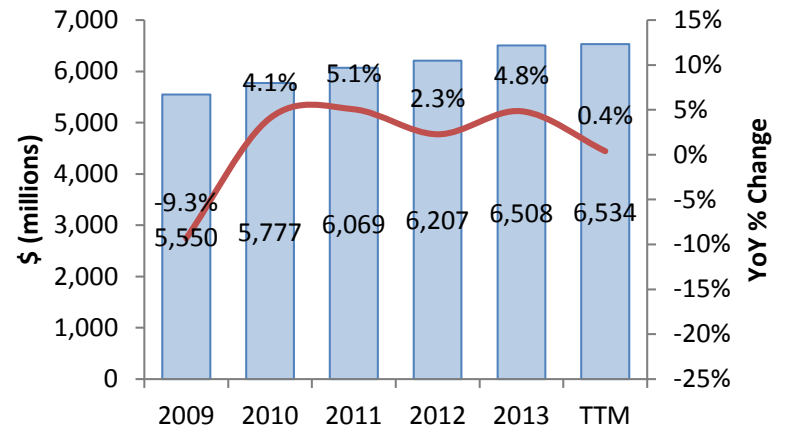
Las Vegas Trends Remain Robust...

- Since 2009 Las Vegas has seen sustained, impressive growth in visitor volume, gaming revenues, hotel ADR and convention attendance

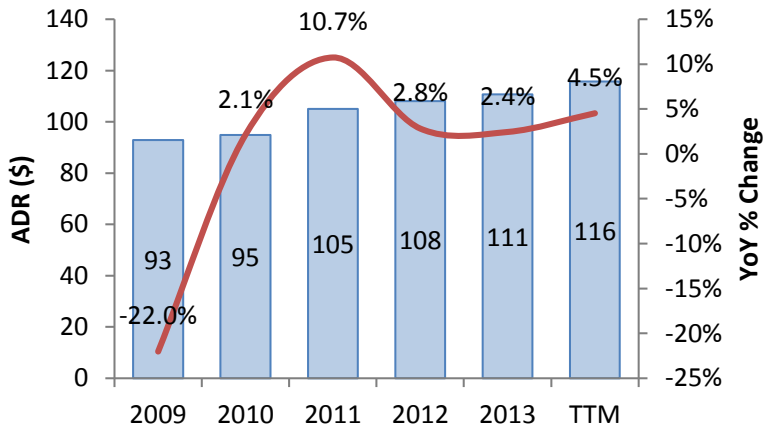
Las Vegas Visitor Volume



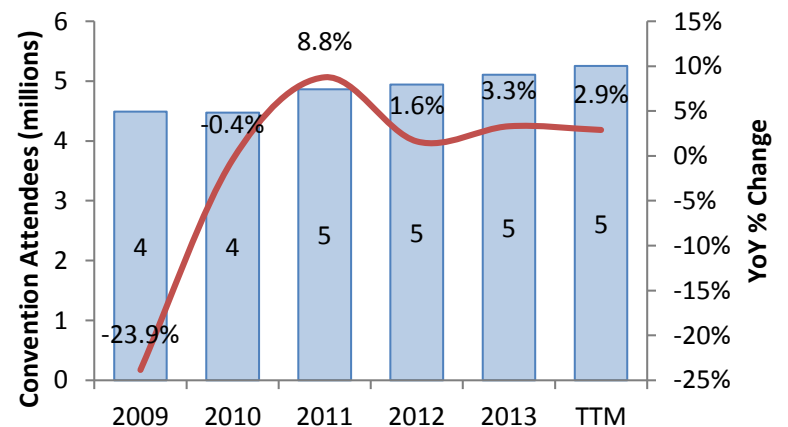
Las Vegas Strip Gaming Revenue



Las Vegas Average Daily Rate



Las Vegas Convention Attendance



Note: All data taken from Las Vegas Convention Visitor Authority website

...However, Caesars Had Very Poor Luck in Q3

Q3 2013 Reported EBITDA 93

Hold (36)

Core Growth (23)

Bad Debt (21)

Labor Inflation (3)

Marketing Efficiency 16

Q3 2014 EBITDA 27

Normalizing Adjustments:

Hold 11

Business Disruption 3

Celine Shows 2

Bad Debt Adj. 1

Q3 2014 Normalized EBITDA 44

- Adverse Hold and a change to our bad debt accounting policy in 2013 explains 85% of the YoY variance
 - Caesars Palace experienced very positive hold in 2013 and adverse hold in 2014, which accounts for 55% of the YoY change in EBITDA
 - An accounting change to bad debt aging schedules provided a one-time benefit to PY results, creating a difficult YoY comparable. This change accounts for 30% of the YoY EBITDA decline
- Construction disruption tied to Pure renovation has negatively impacted foot traffic and temporarily deprived Caesars of a critical hospitality amenity
 - The \$90m Omnia nightclub is expected to open in Spring 2015
- Race and Sports and Lobby bar were closed for renovation and are now open

Atlantic City Gaming Capacity Reductions

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Will Better Align Supply with Business Volumes

Q2 2014 TTM

Open Properties

	GGR	Rooms	Positions
Borgata	628	2,767	4,192
Harrah's - Atlantic City	357	2,590	3,134
Caesars - Atlantic City	328	1,141	2,776
Tropicana - Atlantic City	260	2,079	3,211
Trump Taj Mahal	229	2,010	3,315
Bally's - Atlantic City	225	1,180	2,702
Resorts - Atlantic City	134	942	2,175
Golden Nugget	159	727	1,790
Total	2,319	13,436	23,295
<i>% of Atlantic City</i>	<i>86%</i>	<i>75%</i>	<i>71%</i>

Closed Properties

Revel	137	1,399	2,854
Showboat Atlantic City	154	1,329	2,709
Trump Plaza	52	906	1,866
Atlantic Club	35	809	1,929
Total	377	4,443	9,358
<i>% of Atlantic City</i>	<i>14%</i>	<i>25%</i>	<i>29%</i>

- Recent capacity reductions have created an opportunity for better alignment between costs and revenue
 - Nearly 30% of gaming positions have been removed from Atlantic City
- Atlantic City CEOC EBITDA margins⁽¹⁾ have compressed dramatically, decreasing from 22% in 2008 to 5% in 2014
- We expect retention of high-contribution Showboat revenue and decreased competitive intensity within Atlantic City will result in increases to CEOC margins

SAC GGR		BAC/CAC EBITDA Margin			
Retained	%SAC	5%	10%	15%	22%
\$0	0%	\$0	\$28	\$55	\$93
\$25	16%	\$13	\$40	\$68	\$106
\$50	32%	\$25	\$53	\$80	\$118
\$75	49%	\$38	\$65	\$93	\$131
\$100	65%	\$50	\$78	\$105	\$143
\$125	81%	\$63	\$90	\$118	\$156
\$154	100%	\$77	\$105	\$132	\$170

Note: Room figures taken from NJ DGE Q2 2014 quarterly report. Due to its closure in Q1 2014, Atlantic Club room figures taken from NJ DGE Q1 2014 quarterly report. GGR Figures taken from NJ DGE Monthly Gross Revenue Reports. Positions are estimated by multiplying table units ex poker by 6 plus slot units. Gaming units from the most recent NJ DGE Monthly Gross Revenue Report when a property was open

(1) Excludes Showboat

We Are Encouraged By Recent Trends, However,

Our Q3 Results Were Depressed By Non-Recurring Marketing Spend Targeted At Showboat Customers

Q3 2013 Reported EBITDA **39**

Marketing Efficiency (14)

Volume (9)

Labor Inflation (2)

Hold (1)

COGS Inflation (1)

Prop Taxes 1

Bad Debt 2

Utilities 2

Q3 2014 EBITDA **18**

Normalizing Adjustments:

Retention Mrktg Spend 3

New Prop Share of Corp. 3

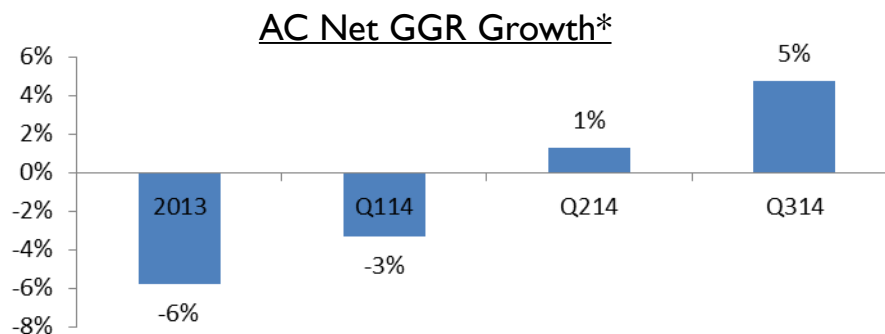
Property Tax 2

Business Disruption 1

Hold (3)

Q3 2014 Normalized EBITDA **24**

- Atlantic City has seen the necessary capacity reductions to balance supply and demand. GGR growth among remaining casinos has trended well over the last 3 quarters



- In Q3, CEOC increased marketing expenses to stimulate demand and as part of strategy to retain Showboat guests. Management is pulling back on such spend and increasing profitability
- New outlets opened in Q3 (Matorano's, Guy Fieri, Buca di Beppo) and had a negative EBITDA contribution as they ramp
- In Q4 2013, we sold the Claridge tower within Bally's, reducing our room count by 500. Such a decision is profitable over the course of a year, however, negatively impacted revenue by approximately \$3m in the quarter

Note: Chart is growth among casino still operating and excludes closed properties

Q3 2013 Reported EBITDA 151

- Performance across CEOC's Other Domestic properties was up approximately 3% in Q3

Volume	(2)
Bad Debt	(2)
Hold	(1)
Marketing Efficiency	(1)
COGS Inflation	(1)
Utilities	2
Prop Taxes	2
Labor Inflation	2
Tunica Use Tax	7

Q3 2014 EBITDA 155

Normalizing Adjustments:

Other Misc. Items	4
Hold	2
New Prop Share of Corp.	1

Q3 2014 Normalized EBITDA 162

We See An Opportunity to Restore Margins

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- Management has committed to cost reductions in 2015 to better align revenues and expenses and recover lost margin

	EBITDA / Net Revenue			Incremental EBITDA % Recovery (07 vs 14E)	
	2007	2014E	07 vs 14E	25%	50%
Las Vegas	34%	22%	-1,229 bps	\$28m	\$56m
Chicagoland	20%	22%	187 bps	-	-
Iowa	28%	35%	713 bps	-	-
Southern IL/IN	20%	20%	50 bps	-	-
Tunica	24%	19%	-497 bps	\$3m	\$7m
Missouri	22%	29%	669 bps	-	-
Philadelphia	18%	15%	-382 bps	\$3m	\$6m
Northern NV	20%	14%	-632 bps	\$5m	\$9m
Bossier	20%	14%	-576 bps	\$4m	\$7m
Atlantic City	25%	4%	-2,161 bps	\$36m	\$71m
Biloxi	16%	14%	-111 bps	\$0m	\$0m
Owned Domestic Properties	24%	18%	-621 bps	\$79m	\$157m

Our Approach in 2015 Will Be Focused on Intense Cost Management to Drive EBITDA

- Management has formulated a plan to return CEOC to \$1.0b of Adjusted EBITDA in 2015 through realignment of cost structure to lower revenues
- This plan consists of a series of concrete initiatives with firm commitments from management and clear and definitive accountability for execution at the Senior Management Team level
- In total, we expect these initiatives to produce \$198m of incremental EBITDA in 2015. Broadly, these initiatives can be segmented into the following categories

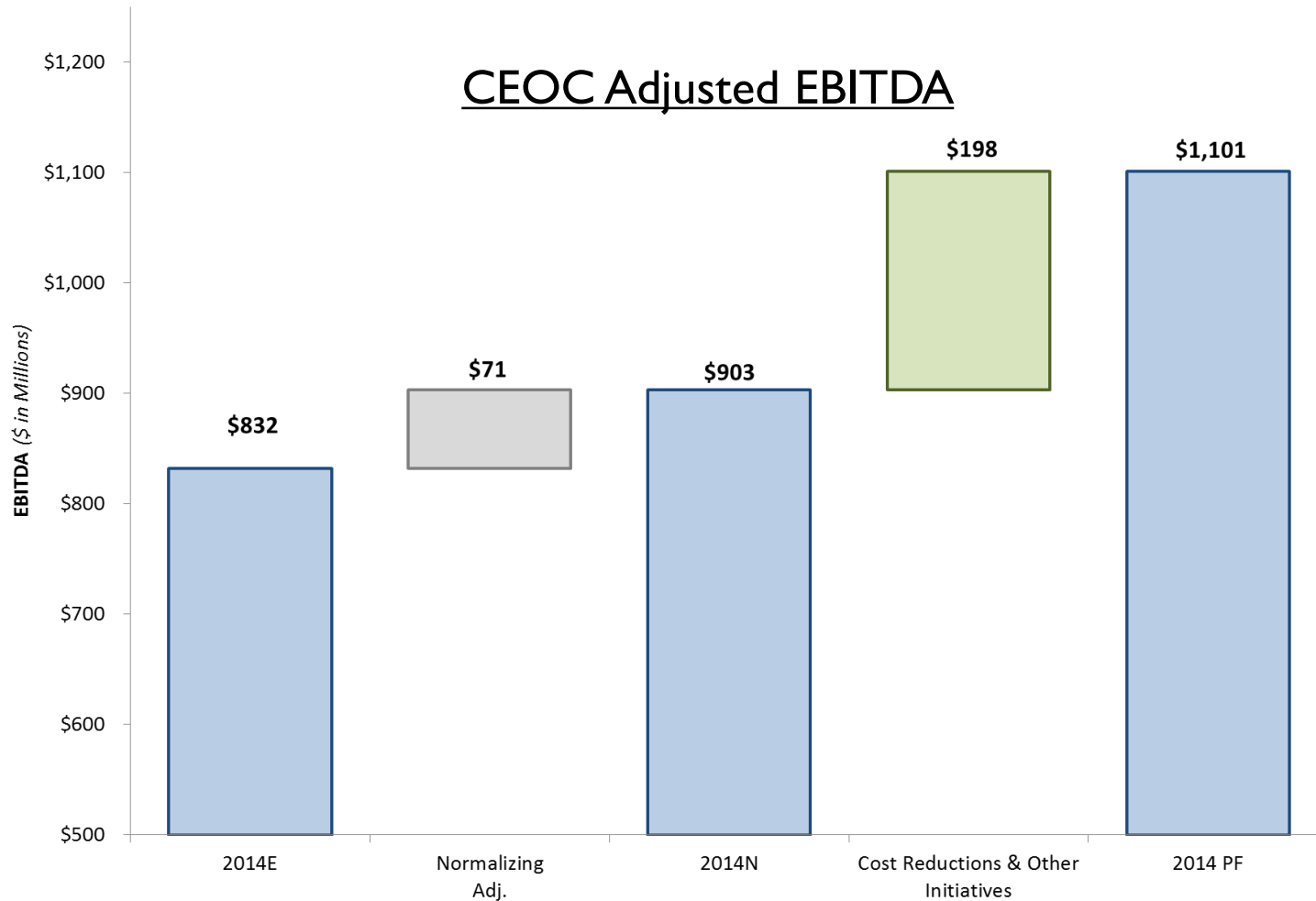
Category	Amount	Description / Examples
Operations	\$100m	Productivity improvements; Span of control optimization; Pay bonus in stock or CEC cash; Increase hotel occupancy; Reduce participation expense
Marketing	\$74m	Advertising reductions; Targeted marketing reinvestment cuts; Eliminate national promotions
Corporate	\$24m	Reduction of HC; Pay bonus in stock or CEC cash; Eliminate all discretionary professional services

- These initiatives are primarily focused on cost reductions, with approximate 80% of EBITDA improvements coming through cost savings
- Corporate Finance has tools in place to track and report on initiative performance, which will allow management to respond to deviations from the plan with additional actions

Initiatives Include

- Pay management bonus in CZR stock with CEC cash
- Corporate expense reductions (eliminate and scale back functions)
- Professional service reductions
- Advertising reductions
- Reductions to layered customer reinvestment
- Mail cost savings through shift to email
- Charitable reductions
- Property productivity improvements (scheduling, spans)
- F&B pricing increases
- Increase Caesars Palace occupancy
- Pass on health care increases to employees
- Resort fee price increases and broader application to casino customer base
- Reduction to slot participation fees
- Workers comp reductions
- Retain revenue from closed properties
- Realize growth capital returns

2014 EBITDA Bridge



Management initiatives are focused on significant cost reduction throughout the enterprise

Note: 2014N represents 2014 expected performance adjusted for normalizing items; (1) includes accounting changes related to non-recurring addbacks, option expense, and corporate D&A due to transition to the new service provider agreement

Services Co (CES)

Why was Caesars Enterprise Services (CES) formed?

- The previous shared services structure, which was formed at the time of the 2008 acquisition of CEC by Apollo and TPG, no longer matched the needs of the Caesars' branded properties which has evolved significantly since 2008
 - There are 3 entities that own and/or operate Caesars' properties: CEOC, CGP and CERP. A new approach to centralized services helps ensure all of the properties are managed properly, and costs are allocated equitably
 - For example, Caesars Acquisition Company (CAC) and Caesars Growth Partners, LLC (CGP) did not exist when the previous centralized services structure was put in place in 2008, and before CES they received centralized services from CEOC.
- As a result of CES, each of CEOC, CGPH and CERP
 - Pays their share of shared costs and capital expenditures related to shared services, and
 - Provides input and oversight on the use of shared corporate funds and assets, including the prioritization of projects
- CES allows investments in "Enterprise Assets" that CEOC was unable to make due to its financial situation and liquidity position
 - "Enterprise Assets" are assets and intellectual property that are used by Caesars' properties through shared services and other agreements, including the Total Rewards loyalty program.
 - For example, there will now be funds available for much needed investment in IT infrastructure which will benefit CEOC, CGP and CERP and each of their properties

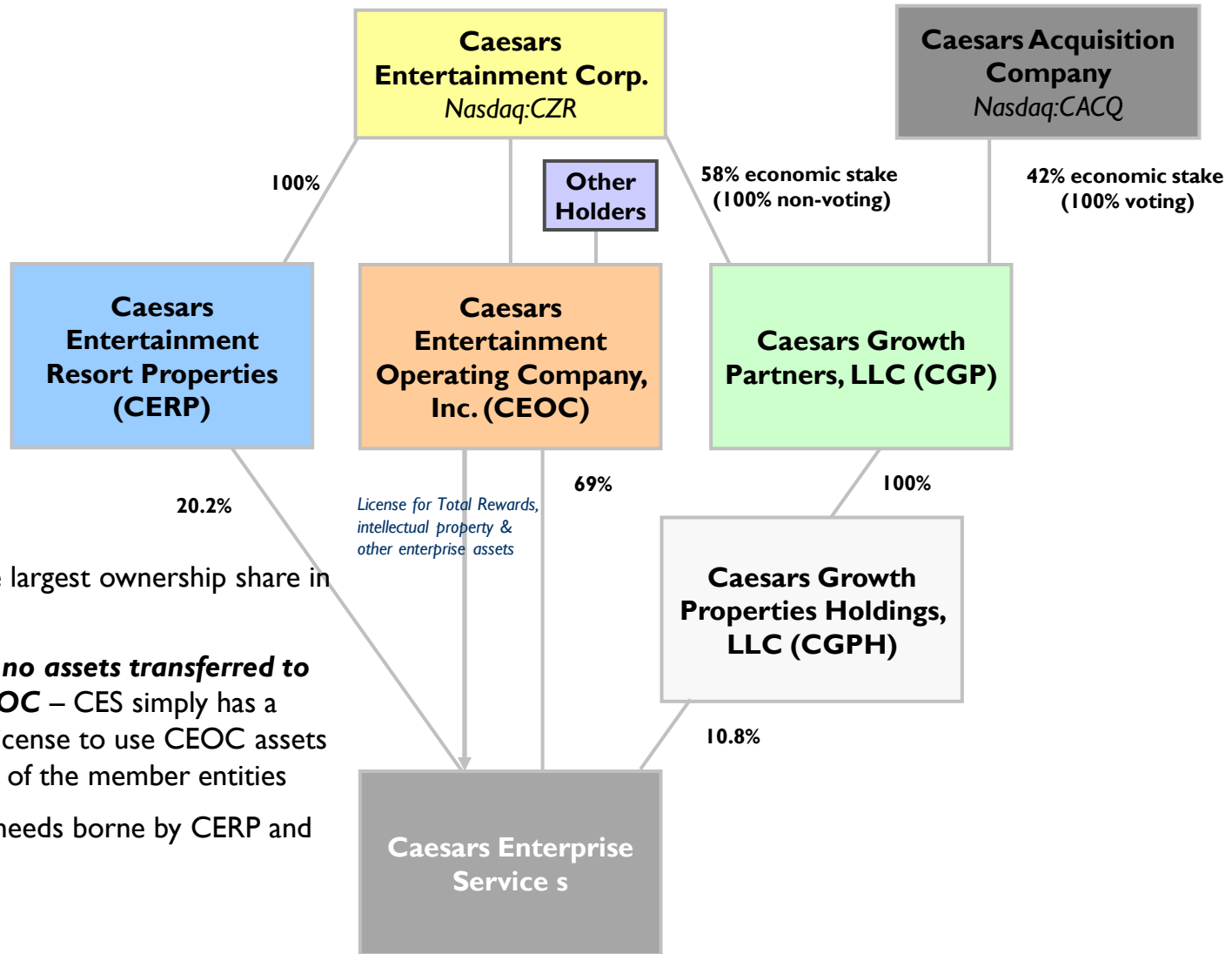
- No assets are being sold by or transferred out of CEOC
 - CEOC will continue to own all of the Enterprise Assets that it currently owns
 - CEOC is granting a non-exclusive license to Enterprise Assets to CES
- The creation of CES did not change the day-to-day operations of the Caesars' properties
 - For example, all properties that benefited from corporate shared services and the Total Rewards program continue to benefit from them under CES
 - Although the employees that manage Caesars' branded properties may have a different employer, their day-to-day jobs will be the same

Why is CES a benefit to CEOC?

- CEOC was not required to make an initial cash contribution to CES, and thus its liquidity will be preserved
 - CEOC owns 69% of CES. Its initial contribution was the non-exclusive license to Enterprise Assets.
 - CERP contributed \$42.5m in cash and CGPH contributed \$22.5m in cash. This is \$65m of working capital that CEOC does not have to fund.
- CEOC's cash will be preserved and better utilized
 - CEOC previously funded expenses for centralized services. It then billed the Caesars' branded properties and eventually got reimbursed.
 - With CES, CEOC no longer be required to fund these expenses and then await reimbursement. This fact will help CEOC retain its cash and improve its working capital dynamics.
 - Previously CEOC funded all capital expenditures for centralized services, and recouped funds from CGP and CERP through depreciation expense over time
 - Centralized services capital expenditures averages ~\$100m per year
 - Under CES, each member funds CES capital expenditures in proportion to its expense allocations percentage
 - This will also improve CEOC cash flow

Why is CES a benefit to CEOC? (continued)

- CEOC has the same access to the Enterprise Assets it did previously, but at a lower cash cost
 - As a member of CES, CEOC and the properties of its subsidiaries receive uninterrupted use of centralized services, including the Total Rewards loyalty program
 - CEOC benefits from the ability of CERP and CGPH to fund capital investment in shared assets to the benefit of all of CES members
 - CEOC has a member on the CES Steering Committee and therefore will not have changes dictated to it
 - For example, no material modification or increase to the operating budget of CES can be made without the unanimous consent of the Steering Committee (including the member appointed by CEOC)



- CEOC has the largest ownership share in CES (69%)
- **There will be no assets transferred to CES from CEOC** – CES simply has a nonexclusive license to use CEOC assets for the benefit of the member entities
- Initial funding needs borne by CERP and CGPH

Note: Not all subsidiaries depicted.

- Services Co will be managed by a Steering Committee consisting of one member appointed by each member entity (CEOC, CERP and CGPH)
 - This Steering Committee will require unanimous consent to make any changes outside of the original terms of Services Co
 - In other words, the CEOC member of the Steering Committee will need to consent and will have a veto
- Current centralized services functions will be a part of Services Co, and these services will be provided at cost to its three members and their subsidiaries
 - Properties will continue to operate as they have in the past, *with no discernible change in services or economics (for allocated costs) at the property level as a result of Services Co implementation*
- CERP and CGP previously had use of Total Rewards and other intellectual property owned by CEOC through a shared services arrangement
 - The Services Co structure replaces the shared services arrangement
 - All Caesars' properties will continue to have access to Total Rewards and the other intellectual property used in their operations, uninterrupted
- Approximately 6,000 employees are intended to become employees of Services Co.
 - Employees that work in centralized services functions (e.g., functions that service more than one Caesars' property, such as accounting, finance, legal, strategic sourcing, etc.) will be employed by Services Co in order to provide these services to the member entities and their subsidiaries
 - Although these employees will have a different employer, there will be no change in their day-to-day function in providing services to Caesars' properties

SEPARATION SHEET

RESTRUCTURING SUPPORT AND FORBEARANCE AGREEMENT

RESTRUCTURING SUPPORT AND FORBEARANCE AGREEMENT dated as of _____, 2014 (this “Agreement”), among (i) Caesars Entertainment Operating Company, Inc. (“CEOC”) and each of the undersigned Subsidiary Loan Parties (as defined in the Credit Agreement (as defined below)) (collectively, the “Company”) and Caesars Entertainment Company, Inc. (“CEC”), (ii) each of the undersigned lenders, each of which is the holder of, or the investment advisor to a holder or holders of (and in such capacity having the power to bind such holder), certain indebtedness of the Company incurred pursuant to the Credit Agreement (as defined below) (including any permitted assignees under this Agreement, collectively, the “Consenting First Lien Bank Lenders”), and (iii) each of the undersigned lenders, each of which is the holder of, or the investment advisor to a holder or holders of (and in such capacity having the power to bind such holder), certain indebtedness of the Company incurred pursuant to the First Lien Indentures (as defined below) (including any permitted assignees under this Agreement, collectively, the “Consenting First Lien Bond Lenders” and, together with the Consenting First Lien Bank Lenders, the “Consenting Lenders” and together with the Company and CEC, each referred to as a “party” and collectively referred to as the “Parties”). All capitalized terms not defined herein shall have the meanings ascribed to them in the Restructuring Term Sheet (as defined below).

RECITALS:

WHEREAS, before the date hereof, the Parties and their representatives have engaged in arm’s length good faith negotiations regarding a potential restructuring of the Company’s indebtedness and other obligations pursuant to the terms and conditions of this Agreement and the terms and conditions set forth on the term sheet annexed hereto as Exhibit A (the “Restructuring”) (which term sheet is expressly incorporated by reference herein and made a part of this Agreement as if fully set forth herein (as such term sheet may be modified in accordance with Section 14 hereof, the “Restructuring Term Sheet”));

WHEREAS, the Restructuring will resolve all Claims between the Parties, including any litigation related Claims against the Company and CEC.

WHEREAS, the Company is considering commencing voluntary Chapter 11 Cases under the Bankruptcy Code in the Bankruptcy Court (all as defined below) to effect the Restructuring through a prenegotiated chapter 11 plan of reorganization;

WHEREAS, in the event Chapter 11 Cases are commenced, the Parties have agreed that the Company may use Cash Collateral (as defined below) on the terms and subject to the conditions set forth in the Cash Collateral stipulation, which includes adequate protection, annexed hereto as Exhibit B (which stipulation is expressly incorporated by reference herein and made a part of this Agreement as if fully set forth herein (as such term sheet may be modified in accordance with Section 14 hereof, the “Cash Collateral Stipulation”));

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which each of the Parties hereby acknowledges, each Party, intending to be legally bound hereby, agrees as follows:

1. Definitions. The following terms shall have the following definitions:

“Administrative Agent” has the meaning ascribed to it in the Credit Agreement.

“Agreement” has the meaning set forth in the recitals hereof.

“Affiliate” means, with respect to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean, with respect to any Person, the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of such Person.

“Alternative Proposal” means any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of material assets or equity interests or restructuring (other than the Restructuring) involving the Company;

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§101 *et seq.*

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

“Business Day” means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which banking institutions in New York, New York are authorized by law or other governmental action to close.

“Caesars Cases” means the cases captioned (a) *Wilmington Savings Fund Society, FSB, solely in its capacity as successor Indenture Trustee for the 10% Second-Priority Senior Secured Notes due 2018, on behalf of itself and derivatively on behalf of Caesars Entertainment Operating Company, Inc. v. Caesars Entertainment Corporation, et. al.*, Case No. 10004-VCG (Del. Ch.), (b) *MeehanCombs Global Credit Opportunities Master Fund, LP, et. al. v. Caesars Entertainment Corporation and Caesars Entertainment Operating Company, Inc.*, No. 14-cv-7097 (S.D.N.Y.), (c) *Frederick Barton Danner v. Caesars Entertainment Corporation and Caesars Entertainment Operating Company, Inc.*, No. 14-cv-7973 (S.D.N.Y.), and (d) all claims in, and causes of action relating to, the Caesars Cases.

“Case” means the case captioned *Caesars Entertainment Operating Company, Inc. and Caesars Entertainment Corporation v. Appaloosa Investment Limited Partnership I, et.al.*, Index No. 652392/2014 (N.Y. Sup., N.Y. Co.)

“Cash Collateral” means the Company’s cash to the extent that such cash is “Collateral” and subject to a perfected “Lien,” both as defined under the First Lien Indentures.

“CEC Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with (a) the Amended and Restated Credit Agreement, dated as of November 14, 2012, among CEOC, as borrower, and CEC, as lenders, and (b) the Global Intercompany Note, dated as of January 28, 2008, among CEC and certain Affiliates.

“Chapter 11 Cases” means the voluntary chapter 11 cases that the Company may commence to effectuate the Restructuring.

“Claims” means all claims arising under or related to the Credit Agreement, First Lien Indentures and Non-First Lien Indentures.

“Collateral Agent” has the meaning ascribed to it in the Credit Agreement and First Lien Indentures.

“Consenting Lenders” has the meaning set forth in the recitals hereof.

“Consenting First Lien Bank Lenders” has the meaning set forth in the recitals hereof.

“Consenting First Lien Bond Lenders” has the meaning set forth in the recitals hereof.

“Credit Agreement” means the means the Third Amended and Restated Credit Agreement, dated as of July 25, 2014, among CEC, CEOC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent.

“EMC” means Elliott Management Corporation and any entities or accounts managed by it.

“Event of Default” has the meaning ascribed to it in the Credit Agreement or the First Lien Indentures, as the case may be.

“First Lien Indentures” means (i) the Indenture dated as of June 10, 2009, as it may have been amended and supplemented from time to time, governing CEOC’s 11.25% Senior Secured Notes due 2017, (ii) the Indenture dated as of February 14, 2012, as it may have been amended and supplemented from time to time, governing CEOC’s 8.5% Senior Secured Notes due 2020, (iii) the Indenture dated as of August 22, 2012, as it may have been amended and supplemented from time to time, governing CEOC’s 9% Senior Secured Notes due 2020 and (iv) the Indenture dated as of February 15, 2013, as it may have been amended and supplemented from time to time, governing CEOC’s 9% Senior Secured Notes due 2020.

“Forbearance Defaults” means defaults or Events of Default arising from or in connection with [(a) the May 2014 Transactions, (b) the Services Transactions, (c) the CEC Transactions, (d) the Incurrence Transactions, (e) the Restricted Transactions, (f) the Caesars Cases and (g) the December 1, 2014 interest payment due under the Indenture dated as of June 10, 2009,

as it may have been amended and supplemented from time to time, governing CEOC's 11.25% Senior Secured Notes due 2017]¹.

"Forbearance Termination Event" has the meaning set forth in Section 3 hereto.

"Incurrence Transactions" means the transactions consummated pursuant to, in contemplation of, or in connection with the Incremental Facility Amendment and Term B-7 Agreement, dated as of June 11, 2014, among CEC, Caesars Operating Escrow LLC, the Incremental Lenders party thereto, Bank of America, N.A., Credit Suisse AG, Cayman Islands Branch, and upon the assumption of the Term B-7 Loans, CEOC.

"May 2014 Transactions" means the transactions consummated pursuant to, in contemplation of, or in connection with the Transaction Agreement dated as of March 1, 2014, as amended, by and among CEC, CEOC, Caesars License Company, LLC, Harrah's New Orleans Management Company, Corner Investment Company, LLC, 3535 LV Corp., Parball Corporation, JCC Holding Company II, LLC, Caesars Acquisition Company and Caesars Growth Partners, LLC.

"Non-First Lien Indentures" means the indentures governing CEOC's (a) 10.00% second-priority senior secured notes due 2015, (b) 10.00% second-priority senior secured notes due 2018, (c) 12.75% second-priority senior secured notes due 2018, (d) 10.75% senior notes due 2016, (e) 10.75%/11.5% senior toggle notes due 2018, (f) 6.5% senior notes due 2016, (g) 5.75% senior notes due 2017 and (h) floating rate contingent convertible senior notes due 2024, in each case, as it may have been amended and supplemented from time to time.

"Outside Date" means [June 15, 2016].

"Parties" has the meaning set forth in the recitals hereof.

"Person" means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group or any legal entity or association.

"Requisite Consenting Lenders" means, collectively, Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Lenders, each voting separately.

"Requisite Consenting First Lien Bank Lenders" means Consenting First Lien Bank Lenders holding at least [one-half] in Claim amount under the Credit Agreement held at such time by the Consenting First Lien Bank Lenders.

"Requisite Consenting First Lien Bond Lenders" means Consenting First Lien Bond Lenders holding at least [one-half] in Claim amount under the First Lien Indentures held at such time by the Consenting First Lien Bond Lenders.

"Restricted Transactions" means the transactions consummated pursuant to, in contemplation of, or in connection with the Note Purchase and Support Agreement entered into

¹ NTD: Other defaults/events of default we want to include as Forbearance Defaults?

among CEOC, CEC and certain holders of CEOC's outstanding 6.50% Senior Notes due 2016 and 5.7% Notes due 2017.

“Restructuring” has the meaning set forth in the recitals hereof.

“Restructuring Term Sheet” has the meaning set forth in the recitals hereof.

“Restructuring Support Party” means CEC and each of the Consenting Lenders and their respective Affiliates, subsidiaries, managed funds, representatives, agents and employees, in each case to the extent controlled by such Restructuring Support Party.

“Services Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with the Omnibus License and Enterprise Services Agreement, dated May 20, 2014, by and among Caesars Enterprise Services, LLC, CEOC, Caesars Entertainment Resort Properties LLC, Caesars Growth Partners, LLC, Caesars Licenses Company, LLC and Caesars World, Inc.

“Transfer” has the meaning set forth in Section 12 hereto.

“Trustee” has the meaning ascribed to it in the First Lien Indentures.

2. Commitment of Restructuring Support Parties. Subject to the terms and conditions hereof, but prior to the termination of this Agreement as provided herein, each Restructuring Support Party shall:

(a) negotiate in good faith the definitive documentation in form and substance consistent in all material respects with the Restructuring Term Sheet and as contemplated by this Agreement or otherwise necessary to effectuate the Restructuring, on the terms and subject to the conditions set forth in this Agreement (for the avoidance of doubt, upon the execution of this Agreement, the Restructuring Term Sheet shall be binding on all the Parties);

(b) consent to those actions contemplated by this Agreement or otherwise required to be taken to effectuate the Restructuring, including entering into all such documents and agreements necessary to consummate the Restructuring;

(c) support the Restructuring and vote, when properly solicited to do so, all Claims now or hereafter beneficially owned by such Restructuring Support Party or for which it now or hereafter serves as the nominee, investment manager or advisor for beneficial holders thereof in favor of the Restructuring (and not withdraw or revoke its tender, consent or vote with respect to the Restructuring);

(d) upon execution of its signature page, complete an election form in respect being a Put Participant, Backstop Party and/or Right Participant as attached hereto as Exhibit C, which election shall be binding on them;

(e) not seek, solicit, support, vote its Claims for, or consent to, an Alternative Proposal;

(f) not take any action inconsistent with the transactions expressly contemplated by this Agreement or that would materially delay or obstruct the consummation of the Restructuring, including, without limitation, commencing, or joining with any person in commencing, any litigation or involuntary case for relief under the Bankruptcy Code against the Company or CEC; and

(g) direct the Administrative Agent, Collateral Agent and/or the Trustee as applicable not to take any action contemplated by (e) and (f) of this Section 2.

Notwithstanding the foregoing, nothing in this Agreement shall prohibit any Party from (a) appearing as a party-in-interest in any matter arising in the Chapter 11 Cases so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or the Restructuring and do not hinder, delay or prevent consummation of the Restructuring and (b) taking or directing any action relating to maintenance, protection or preservation of any collateral.

3. Consenting Lenders' Forbearance.

(a) Until the earliest to occur of (i) the termination of this Agreement and (ii) the occurrence of any Event of Default (other than any Forbearance Default) that continues unremedied for five (5) Business Days after the notice thereof from the Administrative Agent or the Trustee to the Company (a "Forbearance Termination Event"), each Consenting Lender agrees to forbear from exercising its default-related rights and remedies against the Company and its property and interests in property (and to direct the Administrative Agent, Collateral Agent or the Trustee, as applicable, not to exercise such rights on such Consenting Lender's behalf or otherwise), solely to the extent that the availability of such rights and remedies arises exclusively as a result of the Forbearance Defaults.

(b) Upon the occurrence of a Forbearance Termination Event, the agreement of the Consenting Lenders hereunder to forbear from exercising rights and remedies in respect of the Forbearance Defaults (and to direct the Administrative Agent, Collateral Agent or the Trustee, as applicable, to forbear from doing so), shall immediately terminate without requirement of any demand, presentment, protest, or notice of any kind, all of which the Company hereby waives.

(c) The Company agrees that, upon the occurrence of, and at any time after the occurrence of, a Forbearance Termination Event, the Consenting Lenders or the Administrative Agent, Collateral Agent or the Trustee, as applicable, may proceed, subject to the terms of the Credit Agreement, the First Lien Indentures or applicable law, to exercise any or all rights and remedies under the Credit Agreement, the First Lien Indentures or applicable law, including, without limitation, the rights and remedies on account of the Forbearance Defaults, all of which rights and remedies are fully reserved.

(d) Execution of this Agreement constitutes a direction by the Consenting Lenders that the Administrative Agent, Collateral Agent or the Trustee, as applicable, act or forbear from acting in accordance with its terms. Each Consenting Lender agrees that, notwithstanding anything to the contrary in the Credit Agreement or First Lien Indenture, the Administrative Agent,

Collateral Agent or the Trustee, as applicable, shall not be required to act if directed against the Company or its property or interest in property if such action is contrary to the terms of this Agreement.

4. Dismissal of the Case.

(a) Within [] Business Days from the date hereof, (i) the Company and CEC will dismiss, without prejudice, the claims asserted against EMC in the Case (provided, however, that the Company and CEC may pursue all claims in the action against any other entity) and (ii) EMC will withdraw, without prejudice, its pending motion to dismiss.

(b) Upon the occurrence of a Forbearance Termination Event, the agreements between the Company, CEC and EMC in respect of the Case as set forth above shall immediately terminate; provided, however, that EMC agrees not to commence any litigation arising from or relating to the First Lien Indentures or any of the matters alleged in the Case for five (5) Business Days following the occurrence of a Forbearance Termination Event.

(c) If any of the Company, CEC, and EMC commence any litigation or assert any claim relating to or arising from the First Lien Indentures or any matters at issue in the Case following the date hereof (including but not limited to the assertion of claims by the Company or CEC against EMC in the Case), the time between the date hereof and five (5) Business Days following the occurrence of a Forbearance Termination Event shall not be counted for purposes of determining whether any such litigation was commenced or claim interposed within the applicable statute of limitations or in compliance with any similar rule or doctrine of timeliness.

5. Commitment of the Company. The Company agrees to use its commercially reasonable efforts to (a) support and complete the Restructuring and all transactions contemplated under the Restructuring Term Sheet, (b) negotiate in good faith the definitive documentation contemplated by this Agreement or otherwise necessary to effectuate the Restructuring, on the terms and subject to the conditions set forth in this Agreement, (c) obtain any and all required regulatory or third-party approvals for the Restructuring, and (d) operate its business in the ordinary course based on historic practices and the operations contemplated pursuant to the Company's business plan, taking into account the Restructuring. The Company represents and warrants to the Restructuring Support Parties that there are no pending agreements (oral or written), understandings, negotiations or discussions with respect to any Alternative Proposal. Except with the prior written consent of the Requisite Consenting Lenders, the Company and CEC and each of their respective advisors and representatives shall not, directly or indirectly, take any action to solicit, initiate, encourage or assist the submission of an Alternative Transaction. If the Company or CEC receives an unsolicited proposal or expression of interest in undertaking an Alternative Proposal, so long as the Consenting Lenders have agreed to comply with any applicable confidentiality restrictions related thereto, the Company or CEC, as the case may be, shall promptly notify their respective counsel of the receipt of any oral or written offer, indication of interest, proposal or inquiry relating to an Alternative Proposal, with such notice to include the material terms thereof, including the identity of the person or group of persons involved. So long as the Consenting Lenders have agreed to comply with any applicable confidentiality restrictions related thereto, the Company or CEC, as applicable, shall promptly furnish their respective counsel, on behalf of the Consenting Lenders, with copies of any written offer or other information that it receives relating to an Alternative Proposal and shall keep

their respective counsel, on behalf of the Consenting Lenders, fully informed of any negotiations, discussions, amendments, modifications or other changes to such offer or information.

6. Mutual Representations and Warranties. Each of the Parties, severally and not jointly, represents and warrants to each other Party, as of the date of this Agreement, as follows:

(a) it is validly existing and in good standing under the laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws;

(b) except as expressly provided in this Agreement or the Bankruptcy Code (if applicable), no consent or approval is required by any other person or entity for it to carry out the Restructuring contemplated by, and perform the respective obligations under, this Agreement;

(c) except as expressly provided in this Agreement or the Bankruptcy Code (if applicable), it has all requisite power and authority to enter into this Agreement and to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement;

(d) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part;

(e) it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement; and

(f) it is not aware of the occurrence of any event that, due to any fiduciary or similar duty to any other person, would prevent it from taking any action required of it under this Agreement.

7. Ownership of Consenting Lenders' Claims. Each Consenting Lender severally and not jointly, represents and warrants as follows:

(i) as of the date of this Agreement, it is (i) either (A) the sole beneficial owner of the principal amount of Claims set forth below its signature hereto, or (B) has sole investment or voting discretion with respect to the principal amount of Claims set forth below its signature hereto and has the power and authority to bind the beneficial owner(s) of such Claims to the terms of this Agreement, (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such Claims and dispose of, exchange, assign and transfer such Claims and (iii) holds no other Claims;

(ii) other than pursuant to this Agreement, such Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition or encumbrance of any kind, that would adversely affect in any way such Consenting Lender's performance of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(iii) this Agreement is a legal, valid, and binding obligation of each Consenting Lender, enforceable against it in accordance with its terms, except as enforcement may be limited

by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

8. Termination by Requisite Consenting Lenders. This Agreement may be terminated by delivery to the Company of a written notice in accordance with Section 26 hereof by the Requisite Consenting Lenders, upon the occurrence and continuance of any of the following events:

(a) the breach by the Company of any of its representations, warranties or covenants set forth in this Agreement that would have a material adverse impact on the Consenting Lenders or consummation of the Restructuring, which breach remains uncured for a period of five (5) business days after the Company's receipt of notice from the Requisite Consenting Lenders of such breach;

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring, which remains uncured for a period of five (5) business days after the receipt by the Company and the Consenting Lenders of notice of such event;

(c) a trustee shall have been appointed in the Chapter 11 Cases and the Bankruptcy Court shall have entered a final order approving any motion or pleading filed by the trustee that is not consistent in any material respect with this Agreement;

(d) the Chapter 11 Cases shall have been converted to cases under chapter 7 of the Bankruptcy Code or the Chapter 11 Cases shall have been dismissed by order of the Bankruptcy Court;

(e) the Company files any motion or pleading with the Bankruptcy Court that is not consistent in any material respect with this Agreement and such motion or pleading has not been withdrawn within two (2) Business Days of the Company receiving notice from the Requisite Consenting Lenders that such motion or pleading is inconsistent with this Agreement;

(f) the Bankruptcy Court grants relief in a final order that is materially inconsistent with this Agreement in any material respect;

(g) the Company exercises its "fiduciary out" as a debtor-in-possession;

(h) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material assets of the Company, without the written consent of the Requisite Consenting Lenders;

(i) [at 11:59 p.m. prevailing Eastern Time if the Company fails to commence the Chapter 11 Cases on or before [January 15,] 2015 without the written consent of the Requisite Consenting Lenders;]

(j) at 11:59 p.m. prevailing Eastern Time upon the date of entry of an order by the Bankruptcy Court invalidating or disallowing, as applicable, either (i) the enforceability, priority, or validity of all of the liens securing the obligations owed under the Credit Agreement or (ii) the claims in respect of the Credit Agreement;

(k) at 11:59 p.m. prevailing Eastern Time upon the date of entry of an order by the Bankruptcy Court invalidating or disallowing, as applicable, either (i) the enforceability, priority, or validity of all of the liens securing the obligations owed under the First Lien Indentures or (ii) the claims in respect of the First Lien Indentures; or

(l) at 11:59 p.m. prevailing Eastern Time on the Outside Date if all of the transactions contemplated hereby have not been consummated.

9. Mutual Termination. This Agreement and the obligations of the Parties hereunder, may be terminated by mutual agreement among (a) the Company, (b) the Requisite Consenting First Lien Bank Lenders, (c) the Requisite Consenting First Lien Bond Lenders and (d) CEC.

10. Company Termination Events. This Agreement may be terminated by delivery to the other Parties of a written notice, delivered in accordance with Section 26 of this Agreement hereof by the Company upon the occurrence of any of the following events: (a) the breach by any of the Consenting Lenders of any of the representations, warranties or covenants of such Consenting Lenders set forth in this Agreement that would have a material adverse impact on the Company, or the consummation of the Restructuring, which breach remains uncured for a period of five (5) business days after the receipt by the Consenting Lenders of notice of such breach; (b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring, which remains uncured for a period of five (5) business days after the receipt by the Consenting Lenders of notice of such event; or (c) the exercise by the Company of its fiduciary duties as a debtor in possession.

11. Termination. No Party may terminate this Agreement pursuant to Sections 8, 10 or 11 if such terminating Party (or Parties) failed to perform or comply in all material respects with the terms and conditions of this Agreement, with such failure to perform or comply causing, or resulting in, the occurrence of the termination event specified herein. Upon the termination of this Agreement pursuant to Sections 8, 9, 10 or 11 of this Agreement, all Parties shall be released from their commitments, undertakings and agreements under or related to this Agreement, and there shall be no liability or obligation on the part of any Party; provided, that in no event shall any such termination relieve a party hereto from (i) liability for its breach or non-performance of its obligations hereunder prior to the termination date and (ii) obligations under this Agreement which by their terms expressly survive a termination date; provided, however, that, notwithstanding anything to the contrary herein, any event of termination (including any automatic termination) may be waived in accordance with the procedures established by Section 14 hereof, in which case such termination event so waived shall be deemed not to have occurred, this Agreement consequently shall be deemed to continue in full force and effect, and the rights and obligations of the Parties shall be restored, subject to any modification set forth in such waiver. Upon an event of termination, unless otherwise agreed to in writing by such Consenting Lender, any and all votes, approvals or consents delivered by a Consenting Lender and, as applicable, its Affiliates, subsidiaries, managed funds, representatives, agents and employees in connection with the Restructuring prior to such termination date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Company.

12. Transfer of Claims. The Consenting Lenders agree, with the exception of the permitted transfers and purchases enumerated in (i) and (ii) below, that no Consenting Lender will, directly or indirectly, sell, contract to sell, give, assign, hypothecate, pledge, encumber, grant a security interest in, offer, sell any option or contract to purchase, or otherwise transfer or dispose of, any economic, voting or other rights in or to, by operation of law or otherwise (collectively, “Transfer”), all or any portion of its Claims now or hereafter owned, and no such Transfer will be effective, unless: (a) the transferee executes and provides a transfer agreement in the form attached hereto as Exhibit D, pursuant to which the transferee agrees to be bound by all of the terms and conditions of this Agreement and (b) the Consenting Lender effecting such Transfer notifies counsel to the other Parties hereto in writing of such Transfer within two (2) Business Days of the execution of an agreement (or trade confirmation) in respect of such Transfer. In addition to the foregoing Transfer, the following Transfers shall be permitted:

(i) any Transfer by one Consenting Lender to an Affiliate of such Consenting Lender or one or more of its affiliated funds or an affiliated entity or entities with a common investment advisor (in each case, other than portfolio companies); and

(ii) any Transfer by one Consenting Lender to another Consenting Lender.

Any Transfer of any Consenting Lender’s Claim that does not comply with the foregoing shall be deemed void *ab initio*; provided, however, for the avoidance of doubt, that upon any purchase, acquisition or assumption by any Consenting Lender of any Claims, such Claims shall automatically be deemed to be subject to all the terms of this Agreement. The restrictions in this Agreement are in addition to any Transfer restrictions in the Credit Agreement, the First Lien Indentures and Non-First Lien Indentures and in the event of a conflict the Transfer restrictions contained in this Agreement shall control.

13. Cooperation. Before the filing of and during the Chapter 11 Cases, (i) the Company shall provide to counsel for the Consenting Lenders (a) drafts of all motions or applications and other documents the Company intends to file with the Bankruptcy Court within [two (2)] Business Days before the date when the Company intends to file any such document unless such advance notice is impossible or impracticable under the circumstances in which case the Company shall notify telephonically or by electronic mail counsel to the Consenting Lenders to advise it of the documents to be filed and the facts that make the provision of advance copies within [two (2)] Business Days before submission impossible or impracticable, and (b) copies of all documents actually filed by the Company with the Bankruptcy Court promptly but not later than one (1) day after such filing.

14. Amendments. No amendment, modification, waiver or other supplement of the terms of this Agreement (including the Restructuring Term Sheet) shall be valid unless such amendment, modification, waiver or other supplement is in writing and has been signed by the Company, CEC, and Requisite Consenting Lenders.

15. Condition of Effectiveness. For the avoidance of doubt, this Agreement (and the obligations of all Parties thereunder) shall not become effective or enforceable against or by any of the Parties until (i) it is executed by (a) the Company and CEC, (b) lenders under the Credit Agreement holding in the aggregate at least [___]% of the outstanding amount of the Company’s obligations (including its swap obligations) under the Credit Agreement as of the date hereof and (d) lenders

under the First Lien Indentures holding in the aggregate at least [____]% of the outstanding amount of the Company's obligations under the First Lien Indentures as of the date hereof.

16. Entire Agreement. This Agreement, including the Restructuring Term Sheet constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement; provided, however, that any confidentiality agreement executed by any Restructuring Support Party shall survive this Agreement and shall continue to be in full force and effect in accordance with its terms.

17. Survival of Agreement. Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning a possible restructuring of the Company and in contemplation of possible filings by the Company under Chapter 11 of the Bankruptcy Code, and (a) the exercise of the rights granted in this Agreement (including giving of notice or termination) shall not be a violation of the automatic stay provisions of section 362 of the Bankruptcy Code and (b) the Company hereby waives its right to assert a contrary position in the Chapter 11 Cases, if any, with respect to the foregoing.

18. Waiver. If the transactions contemplated herein are not consummated, or following the occurrence of the termination of this Agreement, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

20. Company Fiduciary Duties. Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company or any directors, officers or members of the Company, each in its capacity as a director, officer or member of the Company, to take any action, or to refrain from taking any action, to the extent inconsistent with its or their fiduciary obligations (as determined by them in good faith after consultation with legal counsel).

21. Headings. The headings of the Sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

22. Relationship Among Parties. Notwithstanding anything herein to the contrary, the duties and obligations of the Restructuring Support Parties under this Agreement shall be several, not joint. No Restructuring Support Party shall, as a result of its entering into and performing its obligations under this Agreement, be deemed to be part of a "group" (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) with any of the other Restructuring Support Parties.

23. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of

competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

24. No Commitment. No Restructuring Support Party shall be obligated to fund or otherwise be committed to provide funding in connection with the Rights Offering, except as a Backstop Lender or in accordance with a commitment letter or definitive documentation that has been (i) executed by such Restructuring Support Party in connection with the Rights Offering and (ii) approved by the Bankruptcy Court, as necessary, along with the satisfaction of any conditions precedent to such funding requirements.

25. Governing Law and Dispute Resolution. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. Any dispute, controversy or claim arising under or related to this Agreement, regardless of the legal theory upon which it is based, will be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. All such arbitration shall take place in New York, NY. Unless the Parties agree otherwise, there will be a single arbitrator selected by agreement between the Parties. The arbitrator will be entitled to award monetary and equitable relief, including specific performance and other injunctive relief. If the dispute involves the form or substance of the definitive documents, the Parties agree that prior to the start of the arbitration, the Parties shall supply the arbitrator with what each Party believes to be the version(s) of the definitive documents that conform to the Restructuring Term Sheet. The Parties agree that the arbitrator shall determine which version(s) of the definitive documents are most consistent in all material respects with the Restructuring Term Sheet and, pursuant to specific performance, such definitive documents shall be binding on the Parties. Each Party will bear the expenses of its own counsel and will jointly bear the expenses of the arbitrator. The arbitrator will allocate the remaining costs of the arbitration proceeding. The award or decision rendered by the arbitrator will be final, binding and conclusive and judgment may be entered upon such award by any court. Notwithstanding the foregoing consent to binding arbitration, if and when the Chapter 11 Cases are filed, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

26. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by facsimile transmission or mailed (first class postage prepaid) to the parties at the following addresses or facsimile numbers:

If to the Company:

With a copy to (which shall not constitute notice):

Kirkland & Ellis
601 Lexington Ave
New York, NY 10022
Attn: Paul M. Basta
Fascimile: (212) 446 4900

If to CEC:

With a copy to (which shall not constitute notice):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attn: Alan W. Kornberg
Jeffrey D. Saferstein
Telephone: (212) 373-3000
Facsimile (212) 373-2053

If to a Consenting First Lien Bank Lender, to the address set forth beneath such lender's signature block.

with a copy to (which shall not constitute notice):

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
Attn: Kristopher M. Hansen
Jon Canfield
Telephone: (212) 806-5400
Facsimile: (212) 806-6056

If to a Consenting First Lien Bond Lender, to the address set forth beneath such lender's signature block.

with a copy to (which shall not constitute notice):

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Kenneth H. Eckstein
Daniel M. Eggermann
Telephone: (212) 715-9100
Facsimile: (212) 715-8229

27. Third-Party Beneficiaries. Unless expressly stated herein and except as provided in the proviso at the end of this sentence, the terms and provisions of this Agreement are intended solely for the benefit of the Parties hereto and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

28. Conflicts Between the Restructuring Term Sheet and this Agreement. In the event of any conflict among the terms and provisions in the Restructuring Term Sheet and this Agreement, the terms and provisions of the Restructuring Term Sheet shall control. Nothing contained in this Section 29 shall affect, in any way, the requirements set forth herein for the amendment of this Agreement and the Restructuring Term Sheet as set forth in Section 14 herein.

29. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement.

30. Good-Faith Cooperation; Further Assurances. The parties hereto shall cooperate with each other in good faith in respect of matters concerning the implementation and consummation of the Restructuring.

31. Access. The Company will provide the Parties and their respective attorneys, consultants, accountants, and other authorized representatives reasonable access, upon reasonable notice, during normal business hours to relevant properties, books, contracts, commitments, records, management personnel, and advisors of the Company; provided, however that the Company's obligations hereunder shall be conditioned upon such party being party to an appropriate confidentiality agreement or undertaking.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**CAESARS ENTERTAINMENT OPERATING
COMPANY, INC.**

By: _____
Name:
Title:

[SIGNATURE PAGE FOR CONSENTING LENDERS]

_____,
By: _____

By: _____
Name: _____
Title: _____

Address: _____

Principal Amount of Credit Agreement Obligations
held

(\$) _____

Date: _____

Principal Amount of First Lien Indentures Obligation
held

(\$) _____

Date: _____

Principal Amount of Non-First Lien Indentures
Obligation held

(\$) _____

Date: _____

Exhibit A
Restructuring Term Sheet

Exhibit B

Cash Collateral Stipulation

Exhibit C

Put Participant, Backstop Party and Right Participant Election Form

Exhibit D

Transfer Agreement

PROVISION FOR TRANSFER AGREEMENT

The undersigned ("Transferee") (a) hereby acknowledges that it has read and understands the Restructuring Support and Forbearance Agreement, dated as of _____ (the "Agreement"),¹ by and among Caesars Entertainment Operating Company, Inc., its subsidiaries party thereto, and each of the Consenting Lenders party thereto, (b) desires to acquire the Claims described below from one of the Consenting Lenders (the "Transferor") and (c) hereby irrevocably agrees to be bound by the terms and conditions of the Agreement to the same extent Transferor was thereby bound, and shall be deemed a Consenting Lender for all purposes under the Agreement.

The Transferee hereby specifically and irrevocably agrees (i) to be bound by the terms and conditions of the [Credit Agreement and/or First Lien Indentures], as applicable, and the Agreement, to the same extent applicable to the Transferred Claims, (ii) to be bound by the vote of the Transferor if cast prior to the effectiveness of the transfer of the Claims, and (iii) that each of the Parties shall be an express third-party beneficiary of this Provision for Transfer Agreement and shall have the same recourse against the Transferee under the Agreement as such Party would have had against the Transferor.

Date Executed: _____,

Print name of Transferee

Name:

Title:

Address: _____

Attention: _____

Telephone: _____

Facsimile: _____

Principal Amount Held	
Claim	Amount
Claims (specify type)	

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

SEPARATION SHEET

RESTRUCTURING SUPPORT AND FORBEARANCE AGREEMENT

RESTRUCTURING SUPPORT AND FORBEARANCE AGREEMENT dated as of _____, 2014 (this "Agreement"), among (i) Caesars Entertainment Operating Company, Inc. ("CEOC") and each of the undersigned Subsidiary Loan Parties (as defined in the Credit Agreement (as defined below)) (collectively, the "Company"), (ii) Caesars Entertainment Company, Inc. and those of its subsidiaries not otherwise identified in this preamble (whether now or hereinafter in existence) (collectively, "CEC"), (iii) Caesars Acquisition Company and its subsidiaries (whether now or hereinafter in existence) (collectively, "CAC"), (iv) Caesars Entertainment Resort Properties and its subsidiaries (whether now or hereinafter in existence) (collectively, "CERP"), (v) Caesars Growth Partners, LLC and its subsidiaries (whether now or hereinafter in existence) (collectively, "CGP"), (vi) Apollo Global Management, LLC, on behalf of itself and its Affiliates (together with such Affiliates, "Apollo"), (vii) TPG Capital, LP, on behalf of itself and its Affiliates (together with such Affiliates, "TPG," and collectively with the Company, CEC, CAC, CERP, CGP and Apollo, the "Company Parties"), (viii) each of the undersigned investors, each of which is the holder of, or the investment advisor to a holder or holders of (and in such capacity having the power to bind such holder), certain indebtedness of the Company incurred pursuant to the Credit Agreement (as defined below), and (ix) each of the undersigned noteholders, each of which is the holder of, or the investment advisor to a holder or holders of (and in such capacity having the power to bind such holder), notes of the Company issued pursuant to the First Lien Indentures (as defined below) (together with the Consenting First Lien Bank Lenders, the "Consenting Creditors," and together with the Company Parties, each referred to as a "Party" and collectively referred to as the "Parties"). All capitalized terms not defined herein shall have the meanings ascribed to them in the Restructuring Term Sheet (as defined below).

RECITALS:

WHEREAS, before the date hereof, the Parties and their representatives have engaged in arm's length good faith negotiations regarding a potential restructuring of the Company's indebtedness and other obligations pursuant to the terms and conditions of this Agreement and the terms and conditions set forth on the term sheet annexed hereto as Exhibit A (the "Restructuring") (which term sheet is expressly incorporated by reference herein and made a part of this Agreement as if fully set forth herein (as such term sheet may be modified in accordance with Section 14 hereof, the "Restructuring Term Sheet"));

WHEREAS, the Restructuring will resolve all claims between the Consenting Creditors (including EMC) and the Company Parties, including any litigation-related claims against the Company and CEC and those at issue in the Caesars-Commenced Litigation.

WHEREAS, the Company will be implementing the Restructuring through a prenegotiated chapter 11 plan of reorganization;

WHEREAS, after the Chapter 11 Cases are commenced, the Parties have agreed that the Company may use Cash Collateral (as defined below) on the terms and subject to the conditions set forth in the Cash Collateral stipulation, which includes adequate protection, annexed

hereto as Exhibit B (which stipulation is expressly incorporated by reference herein and made a part of this Agreement as if fully set forth herein (as such stipulation may be modified in accordance with Section 14 hereof, the “Cash Collateral Stipulation”));

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which each of the Parties hereby acknowledges, each Party, intending to be legally bound hereby, agrees as follows:

1. Definitions. The following terms shall have the following definitions:

“Additional Litigation Parties” means those entities and individuals listed on Exhibit F hereto.

“Administrative Agent” has the meaning ascribed to it in the Credit Agreement.

“Agreement” has the meaning set forth in the preamble hereof.

“Affiliate” means, with respect to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean, with respect to any Person, the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of such Person.

“Alternative Proposal” means any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of material assets or equity interests or restructuring (other than the Restructuring) involving the Company.

“Amended and Restated Waiver Agreement” means that agreement, dated as of August 12, 2014, described in the Form 8-K filed by the Company on September 19, 2014, executed by the Company and CEC for the benefit of UMB Bank, National Association, as Trustee under the First Lien Indentures.

“Apollo” has the meaning set forth in the preamble hereof.

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§101 *et seq.*

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

“Business Day” means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which banking institutions in New York, New York, are authorized by law or other governmental action to close.

“CAC” has the meaning set forth in the preamble hereof.

“Caesars-Commenced Litigation” means the case captioned *Caesars Entertainment Operating Company, Inc. and Caesars Entertainment Corporation v. Appaloosa Investment Limited Partnership I, et.al.*, Index No. 652392/2014 (N.Y. Sup. Ct., N.Y. Cty.).

“Cash Collateral” means the Company’s cash to the extent that such cash is “Collateral” and subject to a “Lien,” both as defined under the First Lien Indentures.

“Cash Collateral Stipulation” has the meaning set forth in the recitals hereof.

“CEC” has the meaning set forth in the preamble hereof.

“CEC Second Lien Coupon Deposit” has the meaning set forth in section 5 hereof.

“CEC Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with (a) the Amended and Restated Credit Agreement, dated as of November 14, 2012, among CEOC, as borrower, and CEC, as lenders, and (b) the Global Intercompany Note, dated as of January 28, 2008, among CEC and certain Affiliates.

“CEOC” has the meaning set forth in the preamble hereof.

“CERP” has the meaning set forth in the preamble hereof.

“CGP” has the meaning set forth in the preamble hereof.

“Chapter 11 Cases” means the voluntary chapter 11 cases that the Company will commence to effectuate the Restructuring.

“Claim” means any claim on account of indebtedness issued by CEOC pursuant to the Credit Agreement, the First Lien Indentures or the Non-First Lien Indentures, other than a claim for which the holder does not have the right to control voting. For the avoidance of doubt (i) “Claim” shall not include any claims in respect of derivatives related to or referencing such indebtedness and (ii) if the holder of a claim ceases to have the right to control voting with respect to such claim, such claim shall no longer be deemed a “Claim” for purposes of this Agreement, unless and until such holder subsequently acquires the right to control voting with respect to such claim.

“Claim Holder” refers to (i) each Consenting Creditor and (ii) each Company Party, to the extent such Company Party, as of the date of execution of this Agreement, either (a) is a beneficial owner of Claims or (b) has sole investment or voting discretion with respect to Claims and has the power and authority to bind the beneficial owner(s) of such Claims to the terms of this Agreement.

“Collateral Agent” has the meaning ascribed to it in the Credit Agreement and First Lien Indentures.

“Company” has the meaning set forth in the preamble hereof.

“Company Parties” has the meaning set forth in the preamble hereof.

“Company Termination Event” has the meaning set forth in Section 10 hereof.

“Confidential Claims Information” has the meaning set forth in Section 5 hereof.

“Confirmation Order” has the meaning set forth on Exhibit C hereto.

“Consenting Creditors” has the meaning set forth in the recitals hereof.

“Consenting First Lien Bank Lender” means a Consenting Creditor that holds First Lien Bank Claims; provided that to the extent a Consenting Creditor holds both First Lien Bank Claims and First Lien Bond Claims, such Consenting Creditor shall be considered a Consenting First Lien Bank Lender only if the principal amount of its First Lien Bank Claims exceeds that of its First Lien Bond Claims.

“Consenting First Lien Bond Holder” means a Consenting Creditor that holds First Lien Bond Claims; provided that to the extent a Consenting Creditor holds both First Lien Bond Claims and First Lien Bank Claims, such Consenting Creditor shall be considered a Consenting First Lien Bond Holder only if the principal amount of its First Lien Bond Claims is equal to or exceeds that of its First Lien Bank Claims.

“Credit Agreement” means the Third Amended and Restated Credit Agreement, dated as of July 25, 2014, among CEC, CEOC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent.

“Creditor Termination Event” has the meaning set forth in Section 8 hereof.

“Creditor Termination Right” has the meaning set forth in Section 8 hereof.

“December Second Lien Interest Payment” means the payment of interest due December 15, 2014, on those second-priority senior secured notes issued by CEOC under that certain indenture dated as of December 24, 2008.

“Deposit Accounts” means (i) account number 153910104436 held at U.S. Bank National Association and (ii) account number 4159556448 held at Wells Fargo Bank, National Association, or such other account(s) as may be designated in the event that applicable control agreements are breached or if a notice of exclusive control is delivered with respect to such account(s).

“EMC” means certain entities or accounts managed or controlled by Elliott Management Corporation who are named as defendants in the Caesars-Commenced Litigation.

“Event of Default” has the meaning ascribed to it in the Credit Agreement or the First Lien Indentures, as the case may be.

“First Lien Bank Debt” means indebtedness incurred by the Company pursuant to the Credit Agreement.

“First Lien Bank Claim” means a Claim in respect of First Lien Bank Debt.

“First Lien Bond Debt” means indebtedness incurred by the Company pursuant to the First Lien Indentures.

“First Lien Bond Claim” means a Claim in respect of First Lien Bond Debt.

“First Lien Claim” means any Claim on account of indebtedness issued by CEOC pursuant to the Credit Agreement or the First Lien Indentures, and, for the avoidance of doubt, excluding any claims in respect of derivatives related to or referencing such indebtedness.

“First Lien Indebtedness” means First Lien Bank Debt and/or First Lien Bond Debt.

“First Lien Indentures” means (i) the Indenture dated as of June 10, 2009, as it may have been amended and supplemented from time to time, governing CEOC’s 11.25% Senior Secured Notes due 2017, (ii) the Indenture dated as of February 14, 2012, as it may have been amended and supplemented from time to time, governing CEOC’s 8.5% Senior Secured Notes due 2020, (iii) the Indenture dated as of August 22, 2012, as it may have been amended and supplemented from time to time, governing CEOC’s 9% Senior Secured Notes due 2020 and (iv) the Indenture dated as of February 15, 2013, as it may have been amended and supplemented from time to time, governing CEOC’s 9% Senior Secured Notes due 2020.

“First Lien Fees and Expenses” means (i) all out-of-pocket expenses incurred by any Initial Consenting Creditor in connection with the negotiation and implementation of the Restructuring plus (ii) First Lien Professional Fees.

“First Lien Professional Fees” means all fees and expenses of the First Lien Professionals incurred in their representation of holders of First Lien Indebtedness in connection with the Company, from the date of the First Lien Professionals’ respective retentions by such holders of First Lien Indebtedness through and including the later of either (i) the termination of this Agreement pursuant to Sections 8 or 9 of this Agreement or (ii) the entry of a final, non-appealable order by the Bankruptcy Court or another court of competent jurisdiction approving the Restructuring.

“First Lien Professionals” means Kramer Levin Naftalis & Frankel LLP, Breazeale, Sachse & Wilson, L.L.P., Ballard Spahr LLP, Vedder Price P.C., Stroock & Stroock & Lavan LLP, Miller Buckfire & Co., Rothschild Inc., and such other legal, consulting, financial and/or other professional advisors as may be retained or may have been retained from time to time by any of the Initial Consenting Creditors.

“Forbearance Defaults” means defaults or Events of Default arising from or in connection with (a) the May 2014 Transactions, (b) the Services Transactions, (c) the CEC Transactions, (d) the Incurrence Transactions, and (e) the Restricted Transactions.

“Forbearance Termination Event” has the meaning set forth in Section 3 hereof.

“Incurrence Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with the Incremental Facility Amendment and Term B-7 Agreement, dated as of June 11, 2014, among CEC, Caesars Operating Escrow LLC, the Incremental Lenders party thereto, Bank of America, N.A., Credit Suisse AG, Cayman Islands Branch, and upon the assumption of the Term B-7 Loans, CEOC.

“Initial Consenting Creditor” means [identify entities].

“Intervening Event” has the meaning set forth in Section 5 hereof.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“May 2014 Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with the Transaction Agreement dated as of March 1, 2014, as amended, by and among CEC, CEOC, Caesars License Company, LLC, Harrah’s New Orleans Management Company, Corner Investment Company, LLC, 3535 LV Corp., Parball Corporation, JCC Holding Company II, LLC, Caesars Acquisition Company and Caesars Growth Partners, LLC.

“Milestones” means those milestones set forth on Exhibit C hereto.

“Non-First Lien Indentures” means the indentures governing CEOC’s (a) 10.00% second-priority senior secured notes due 2015, (b) 10.00% second-priority senior secured notes due 2018, (c) 12.75% second-priority senior secured notes due 2018, (d) 10.75% senior notes due 2016, (e) 10.75%/11.5% senior toggle notes due 2018, (f) 6.5% senior notes due 2016, (g) 5.75% senior notes due 2017 and (h) floating rate contingent convertible senior notes due 2024, in each case, as it may have been amended and supplemented from time to time.

“Outside Date” has the meaning set forth on Exhibit C hereto.

“Parties” has the meaning set forth in the recitals hereof.

“Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group or any legal entity or association.

“Petition Date” means the date on which the Company commences the Chapter 11 Cases.

“Qualified Marketmaker” means an entity that holds itself out to the public or applicable private markets as standing ready in the ordinary course of business to purchase from

customers and sell to customers claims against the Company, in its capacity as a dealer or market maker in claims against the Company.

“Requisite Consenting Creditors” means, collectively, Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders, each voting separately.

“Requisite Consenting First Lien Bank Lenders” means Consenting First Lien Bank Lenders holding at least [one-half] in Claim amount under the Credit Agreement held at such time by the Consenting First Lien Bank Lenders.

“Requisite Consenting First Lien Bond Holders” means Consenting First Lien Bond Holders holding at least [one-half] in Claim amount under the First Lien Indentures held at such time by the Consenting First Lien Bond Holders.

“Restricted Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with the Note Purchase and Support Agreement entered into among CEOC, CEC and certain holders of CEOC’s outstanding 6.5% Senior Notes due 2016 and 5.7% Notes due 2017.

“Restructuring” has the meaning set forth in the recitals hereof.

“Restructuring Term Sheet” has the meaning set forth in the recitals hereof.

“Restructuring Support Party” means CEC, CAC, CERP, CPG, Apollo, TPG and the Consenting Creditors, together with their respective Affiliates, subsidiaries, managed funds, representatives, agents and employees, in each case to the extent controlled by such Restructuring Support Party.

“Services Transactions” means the transactions consummated pursuant to, in contemplation of, or in connection with the Omnibus License and Enterprise Services Agreement, dated May 20, 2014, by and among Caesars Enterprise Services, LLC, CEOC, Caesars Entertainment Resort Properties LLC, Caesars Growth Partners, LLC, Caesars Licenses Company, LLC and Caesars World, Inc.

“Solicitation Procedures” has the meaning set forth on Exhibit C hereto.

“Termination Events” has the meaning set forth in Section 10 hereof.

“TPG” has the meaning set forth in the preamble hereof.

“Transfer” has the meaning set forth in Section 12 hereto.

“Trustee” has the meaning(s) ascribed to it in the applicable First Lien Indentures.

2. Commitment of Restructuring Support Parties. Subject to the terms and conditions hereof, but prior to the termination of this Agreement as provided herein, each Restructuring Support Party shall:

- (a) negotiate in good faith the definitive documentation in form and substance consistent in all material respects with the Restructuring Term Sheet and as contemplated by this Agreement or otherwise necessary to effectuate the Restructuring, on the terms and subject to the conditions set forth in this Agreement (for the avoidance of doubt, upon the occurrence of the conditions to effectiveness set forth in Section 15 hereof, the Restructuring Term Sheet shall be binding on all the Parties);
- (b) consent to those actions contemplated by this Agreement or otherwise required to be taken to effectuate the Restructuring, including entering into all such documents and agreements necessary to consummate the Restructuring;
- (c) support the Restructuring and vote, when properly solicited to do so, all Claims now or hereafter beneficially owned by such Restructuring Support Party or for which it now or hereafter serves as the nominee, investment manager or advisor for beneficial holders thereof in favor of the Restructuring (and not withdraw or revoke its tender, consent or vote with respect to the Restructuring) (it being understood and agreed that no Restructuring Support Party shall enter into any arrangement whereby it transfers voting rights for the purpose of avoiding any obligations under this Agreement);
- (d) upon execution of its signature page, complete an election form in respect of being a Put Participant, Backstop Party and/or Rights Participant¹ as attached hereto as Exhibit D, which election shall be binding on them;
- (e) not seek, solicit, support, vote its Claims for, or consent to, an Alternative Proposal;
- (f) not take any action inconsistent with the transactions expressly contemplated by this Agreement or that would materially delay or obstruct the consummation of the Restructuring, including, without limitation, commencing, or joining with any person in commencing, any litigation or involuntary case for relief under the Bankruptcy Code against the Company or CEC; and
- (g) Unless and until a Forbearance Termination Event occurs, refrain from directing the Administrative Agent, Collateral Agent and/or the Trustee, as applicable, to take any action prohibited by subsections (e) and (f) of this Section 2.

Notwithstanding the foregoing, nothing in this Agreement shall prohibit any Party from (a) appearing as a party-in-interest in any matter arising in the Chapter 11 Cases so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or the Restructuring and do not hinder, delay or prevent consummation of the Restructuring and (b) taking or directing any action relating to maintenance, protection or preservation of any collateral.

¹ [Put Participant, Backstop Party and Rights Participant to be defined.]

3. Forbearance.

(a) Until the earliest to occur of (i) any Creditor Termination Event (without regard to any cure periods or notice requirements, and even if such Creditor Termination Event does not result in the exercise of a Creditor Termination Right) or any termination of this Agreement under Sections 9 or 10 of this Agreement and (ii) the occurrence of any default (other than any Forbearance Default) under any First Lien Indenture or the Credit Agreement (a “Forbearance Termination Event”), each Consenting Creditor agrees to forbear from exercising its default-related rights and remedies against the Company and its property and interests in property (and to refrain from directing the Administrative Agent, Collateral Agent or the Trustee, as applicable, to exercise such rights on such Consenting Creditor’s behalf or otherwise), solely to the extent that the availability of such rights and remedies arises exclusively as a result of the Forbearance Defaults.

(b) Upon the occurrence of a Forbearance Termination Event, the agreement of the Consenting Creditors hereunder to forbear from exercising rights and remedies in respect of the Forbearance Defaults (and to forbear from directing the Administrative Agent, Collateral Agent or the Trustee, as applicable, from doing so), shall immediately terminate without requirement of any demand, presentment, protest, or notice of any kind, all of which the Company hereby waives.

(c) The Company agrees that, upon the occurrence of, and at any time after the occurrence of, a Forbearance Termination Event, the Consenting Creditors or the Administrative Agent, Collateral Agent or the Trustee, as applicable, may proceed, subject to the terms of the Credit Agreement, the First Lien Indentures or applicable law, to exercise any or all rights and remedies under the Credit Agreement, the First Lien Indentures and/or applicable law, including, without limitation, rights and remedies on account of the Forbearance Defaults, all of which rights and remedies are fully reserved.

(d) The Company Parties agree that, prior to the termination of this Agreement with respect to any particular Consenting Creditor, the Company Parties shall not commence any litigation or interpose any claim arising from or in any way related to the First Lien Indebtedness against any such Consenting Creditor.

4. Withdrawal of Litigation and Tolling.

(a) Within two (2) Business Days from the date hereof, (i) the Company and CEC will dismiss, with prejudice, the claims asserted against EMC in the Caesars-Commenced Litigation (and, for the avoidance of doubt, shall not attempt to or otherwise cause the retraction revocation or termination of the dismissal with prejudice) (provided, however, that the Company and CEC may pursue all claims in the Caesars-Commenced Litigation against entity that is not an affiliate of EMC or directly or indirectly controlled or managed by Elliott Management Corporation or its Affiliates) and (ii) EMC will withdraw, without prejudice, its pending motion to dismiss. No Company Party shall prosecute or pursue against EMC any of the claims asserted against EMC in the Caesars-Commenced Litigation or any similar or related claims.

(b) The Company Parties acknowledge and agree that the time from the date hereof through and including the date that is five (5) Business Days after the date that this

Agreement has been terminated with respect to all Parties shall not be counted for purposes of determining whether any litigation commenced or claim interposed by any of the Consenting Creditors, the Trustee, the Collateral Agent or the Administrative Agent against any Company Party, which litigation or claim relates in any way to the Company or its Affiliates (including, but not limited to, any claims relating to any transaction by or among, or approved by, the Company Parties or the Additional Litigation Parties), was commenced or interposed within the applicable statute of limitations or in compliance with any other rule or doctrine of timeliness. If the Company or CEC commences any litigation or asserts any claim against any particular Consenting Creditor, which litigation or claim relates to or arises from the First Lien Indentures or any matters at issue in the Caesars-Commenced Litigation (including but not limited to the assertion of claims by the Company or CEC against EMC in the Caesars-Commenced Litigation), the time between the date hereof through and including the date that is five (5) Business Days after the date that this Agreement has been terminated with respect such Consenting Creditor shall not be counted for purposes of determining whether any such litigation was commenced or claim interposed within the applicable statute of limitations or in compliance with any similar rule or doctrine of timeliness.

5. Company Party Commitments, Representations and Warranties.

(a) The Company Parties agree to (i) support and complete the Restructuring and all transactions contemplated under the Restructuring Term Sheet, in accordance with the milestones set forth on Exhibit C hereto (the “Milestones”), (ii) negotiate in good faith the definitive documentation contemplated by this Agreement or otherwise necessary to effectuate the Restructuring, on the terms and subject to the conditions set forth in this Agreement and in all cases satisfactory in form, scope and substance to the Consenting First Lien Bank Lenders and the Consenting First Lien Bond Holders, (iii) obtain any and all required regulatory or third-party approvals for the Restructuring, (iv) use best efforts to lift or otherwise reverse the effect of any injunction or other order or ruling of a court or regulatory body that would impede the consummation of a material aspect of the Restructuring, and (v) operate the Company in the ordinary course consistent with industry practice and the operations contemplated pursuant to the Company’s business plan, taking into account the Restructuring.

(b) The Company Parties represent and warrant to the Restructuring Support Parties that there are no pending agreements (oral or written), understandings, negotiations or discussions with respect to any Alternative Proposal. Except with the prior written consent of the Requisite Consenting Creditors, none of the Company Parties nor their respective advisors or representatives will, directly or indirectly, take any action to solicit, initiate, encourage or assist the submission of an Alternative Transaction.

(c) If, prior to the Petition Date, any of the Company Parties receives any expression of interest in undertaking an Alternative Proposal, the applicable Company Party shall notify counsel to the Consenting Creditors of the material terms of such Alternative Proposal within one (1) Business Day, including the identity of the person or group of persons involved. In addition, such Company Party, shall within one (1) Business Day of the date on which any Consenting Creditor agrees to comply with applicable customary and reasonable confidentiality restrictions, provide such Consenting Creditor with the material terms of such Alternative Proposal, including the identity of the person or group of persons involved. The Company Parties shall not

consider any Alternative Proposal unless (x) there is a material development or change in circumstance that both (a) was not known or reasonably foreseeable to the Company Parties before the date of this Agreement (it being understood and agreed that litigation with creditors and negotiations with creditors are reasonably foreseeable) and (b) does not relate to (i) any restructuring proposal by a Consenting Creditor, (ii) Apollo, TPG or any of the Consenting Creditors or (iii) the meeting of any projections or changes in the market price or trading volume of CEC's common stock or credit rating (but including the underlying cause of such change) (any such development or change in circumstance, an "Intervening Event") and (y) the boards of directors of each of CEC and the Company determine in good faith and in a reasonable manner, and receive an opinion of reputable external counsel to such effect, that the failure to consider such Alternative Proposal would reasonably constitute a breach of its fiduciary duties under applicable law. If an Intervening Event occurs, the Consenting Creditors shall have five (5) Business Days from the later of the date of the applicable Alternative Proposal or the Intervening Event to propose changes to the terms of this Agreement, including the Restructuring Term Sheet. Any change to the material facts and circumstances relating to an Intervening Event shall trigger a new five (5) Business Day period for Consenting Creditors to propose such changes and/or additional changes. To the extent an Alternative Proposal is being considered by any Company Party, and provided that any Consenting Creditors have agreed to comply with any applicable customary and reasonable confidentiality restrictions related thereto, the applicable Company Party shall keep such Consenting Creditors fully and immediately informed of any negotiations, discussions, amendments, modifications or other changes to such Alternative Proposal and any material information related to such Alternative Proposal.

(d) On and after the Petition Date, the Company may consider an Alternative Proposal that is superior to the Restructuring if its board of directors determines in good faith and in a reasonable manner, taking into account the reasonable likelihood that such Alternative Proposal will be effectuated on the terms and timing proposed, and receives an opinion of reputable external counsel to such effect, that failure to consider such Alternative Proposal would reasonably constitute a breach of its fiduciary duties under applicable law; provided (i) the Bankruptcy Court will resolve any disputes concerning the purported exercise of fiduciary duties by the Company and its respective directors, officers and members, as applicable, (ii) the Company shall have the burden of proof in demonstrating that its fiduciary duties as debtor-in-possession compel its termination of this Agreement and (iii) such termination shall be effective only if the Bankruptcy Court enters an order finding that the Company's (and its directors', officers' and members', as applicable) fiduciary duties require the Company to act with respect to an Alternative Proposal; provided, further, that in the event the Company determines it must consider an Alternative Proposal hereunder, the Consenting Creditors shall have five (5) Business Days after notice by the Company of such determination to propose changes to the terms of this Agreement, including the Restructuring Term Sheet. To the extent an Alternative Proposal is being considered by any of the Company Parties under this subsection, and provided that any Consenting Creditors have agreed to comply with any applicable customary and reasonable confidentiality restrictions related thereto, the Company shall keep such Consenting Creditors fully and immediately informed of any negotiations, discussions, amendments, modifications or other changes to such Alternative Proposal and any material information related to such Alternative Proposal.

(e) The Company and CEC agree to promptly notify the Consenting Creditors upon becoming aware of any of the following occurrences: (i) an additional person becomes a Consenting Creditor after the date of this Agreement; (ii) any representation or warranty made by any of the Company Parties under this Agreement is not true and correct at any time or any covenant by any Company Party has not been complied with; (iii) a Termination Event has occurred; or (iv) any person has challenged the validity or priority of, or has sought to avoid, any lien securing the First Lien Indebtedness.

(f) The Company agrees to promptly pay, upon execution of this Agreement, all accrued First Lien Fees and Expenses for which invoices or receipts are furnished by the First Lien Professionals and/or Consenting Creditors. The Company also agrees to promptly pay all First Lien Fees and Expenses incurred after the date of this Agreement from time to time, any in any event within ten (10) Business Days of delivery to the Company of any applicable invoice or receipt. For the avoidance of doubt, (a) invoices on account of First Lien Professional Fees need only be summary in nature and need not include any billing detail and (b) CEC's joint and several obligations with respect to the First Lien Fees and Expenses shall survive (i) any finding by a court of competent jurisdiction that CEOC or the Company may not be held liable for the payment of any of the First Lien Fees and Expenses, (ii) any disgorgement or recharacterization of any such First Lien Fees and Expenses and (iii) the failure of the Bankruptcy Court and/or another court of competent jurisdiction to approve this Agreement. The Company's and CEC's obligations to pay the First Lien Professional Fees shall not be affected or reduced by the payment of any First Lien Professional Fees by any holder of First Lien Indebtedness, irrespective of whether such holder remains a holder of First Lien Indebtedness as of the date of this Agreement or is a Consenting Creditor.

(g) Unless the Company obtains the prior written consent of a Consenting Creditor: (i) the Company Parties will use the information regarding any Claims owned at any time by such Consenting Creditor (the "Confidential Claims Information") solely in connection with this Agreement; and (ii) except as required by law, rule or regulation or by order of a court or as requested or required by the Securities and Exchange Commission or by any other federal or state regulatory, judicial, governmental, or supervisory authority or body, the Company Parties will keep the Confidential Claims Information strictly confidential and will not disclose the Confidential Claims Information to any other person; provided, however, that the Company Parties may combine the Confidential Claims Information provided to the Company Parties by a Consenting Creditor with the corresponding data provided to the Company by the Consenting Creditors and freely disclose such combined data on an aggregate basis. In the event that the any of the Company Parties is required (by law, rule, regulation, deposition, interrogatories, requests for information or documents in legal or administrative proceedings, subpoena, civil investigative demand or other similar process or by any governmental, judicial, regulatory, or supervisory body) to disclose the Confidential Claims Information or the contents thereof, the Company Parties shall, to the extent legally permissible, provide affected Consenting Creditors with prompt notice of any such request or requirement so that such Consenting Creditors may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this section. If, in the absence of a protective order or other remedy or the receipt of a waiver from a Consenting Creditor, a Company Party believes that it is nonetheless, following consultation with counsel, required to disclose the

Confidential Claims Information, such Company Party may disclose only that portion of the Confidential Claims Information which it believes, following consultation with counsel, that it is required to disclose, provided that it exercises reasonable efforts to preserve the confidentiality of the Confidential Claims Information, including, without limitation, by marking the Confidential Claims Information “Confidential – Attorneys’ Eyes Only” and by reasonably cooperating with the affected Consenting Creditor to obtain an appropriate protective order or other reliable assurance that confidential and attorneys’ eyes only treatment will be accorded the Confidential Claims Information. In no event shall this Agreement be construed to impose on a Consenting Creditor an obligation to disclose the price for which it acquired or disposed of any Claim. The Company Parties’ obligations under this Subsection 5(d) shall survive termination of this Agreement.

(h) CEC agrees that if the Company pays any portion of the December Second Lien Interest Payment, CEC shall deposit into one or both of the Deposit Accounts cash in an amount equal in the aggregate to such portion of the December Second Lien Interest Payment (the “CEC Second Lien Coupon Deposit”).

(i) The Company represents and warrants that it is not aware of the existence of any default under the Credit Agreement or the First Lien Indentures, or an Event of Default, other than a Forbearance Default as of the execution of this Agreement. For the avoidance of doubt, nothing herein shall be construed as an acknowledgment or admission by the Company that a Forbearance Default exists or has existed at any time.

(j) The Company agrees to provide to counsel and financial advisors for, and such other professionals as may be designated by, the Consenting First Lien Bank Lenders and the Consenting First Lien Bond Holders the following financial reporting, calculated in accordance with GAAP to the extent applicable, relating to the Company on the dates and intervals set forth below:

(i) [TBD]

6. Mutual Representations and Warranties. Each of the Parties, severally and not jointly, represents and warrants to each other Party, as of the date of this Agreement, as follows:

(a) it is validly existing and in good standing under the laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws;

(b) except as expressly provided in this Agreement or the Bankruptcy Code (if applicable), no consent or approval is required by any other person or entity for it to carry out the Restructuring contemplated by, and perform the respective obligations under, this Agreement;

(c) except as expressly provided in this Agreement or the Bankruptcy Code (if applicable), it has all requisite power and authority to enter into this Agreement and to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement;

(d) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part;

(e) it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement;

(f) it has reviewed this Agreement and has decided to enter into this Agreement in the exercise of any applicable fiduciary duties; and

(g) it is not aware of the occurrence of any event that, due to any fiduciary or similar duty to any other person, would prevent it from taking any action required of it under this Agreement.

7. Ownership of Claims. Each Claim Holder, severally and not jointly, represents and warrants as follows:

(a) as of the date of this Agreement, other than with respect to any Claims in respect of First Lien Bank Debt that it holds pursuant to a participation agreement with voting provisions substantially similar to those set forth in the form of participation agreement produced by the Loan Syndications & Trading Association, it (i) either (A) is the sole beneficial owner of the principal amount of Claims set forth below its signature hereto, or (B) has sole investment or voting discretion with respect to the principal amount of Claims set forth below its signature hereto and has the power and authority to bind the beneficial owner(s) of such Claims to the terms of this Agreement, (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such Claims and dispose of, exchange, assign and transfer such Claims and (iii) holds no Claims not identified below its signature hereto;

(b) other than pursuant to this Agreement, such Claims that are subject to Section 7(a) hereof are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition or encumbrance of any kind, that would adversely affect in any way such Consenting Creditor's performance of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(c) this Agreement is a legal, valid, and binding obligation of each Claim Holder, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

To the extent a Consenting Creditor who is a Consenting First Lien Bank Lender acquires or disposes of Claims such that the principal amount of its First Lien Bond Claims becomes equal to or exceeds that of its First Lien Bank Claims, such Consenting Creditor shall be deemed a Consenting First Lien Bond Holder and shall no longer be considered a Consenting First Lien Bank Lender for purposes of this Agreement. To the extent a Consenting Creditor who is a Consenting First Lien Bond Holder acquires or disposes of Claims such that the principal amount of its First Lien Bank Claims exceeds that of its First Lien Bond Claims, such Consenting Creditor shall be deemed a Consenting First Lien Bank Lender and shall no longer be considered a Consenting First Lien Bond Holder for purposes of this Agreement. Any Consenting First Lien Bank Lender who becomes a Consenting First Lien Bond Holder or Consenting First Lien Bond Holder who becomes a

Consenting First Lien Bank Lender pursuant to this Section 7 shall deliver to the Company a written notice in accordance with Section 27 hereof within one (1) Business Day of such occurrence.

8. Termination by Consenting Creditors. The Requisite Consenting First Lien Bank Lenders and the Requisite Consenting First Lien Bond Holders shall each be entitled to cause the termination of this Agreement (a “Creditor Termination Right”) by the Consenting First Lien Bank Lenders and the Consenting First Lien Bond Holders, respectively, and this Agreement shall be deemed terminated with respect to such Consenting First Lien Bank Lenders or Consenting First Lien Bond Holders, as applicable, upon delivery to the Company of a written notice in accordance with Section 27 hereof of the occurrence and continuance of any of the following events (each a “Creditor Termination Event”):²

(a) the breach by any of the Company Parties of any of their representations, warranties or covenants set forth in this Agreement, which breach remains uncured for a period of five (5) business days after such Company Party’s receipt of notice from the Requisite Consenting Creditors of such breach;

(b) the Company’s failure to comply with any Milestone;

(c) the issuance by any governmental entity, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining or otherwise restricting the consummation of a material portion of the Restructuring, which remains uncured for a period of five (5) business days after the receipt by the Company and the Consenting Creditors of notice of such event;

(d) a trustee shall have been appointed in the Chapter 11 Cases and the Bankruptcy Court enters a final order approving any motion or pleading filed by the trustee that is not consistent in any material respect with this Agreement;

(e) the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code or the Chapter 11 Cases shall have been dismissed by order of the Bankruptcy Court;

(f) the Company files any motion or pleading with the Bankruptcy Court that is not consistent with this Agreement and such motion or pleading has not been withdrawn within two (2) Business Days of the Company receiving notice from the Requisite Consenting Creditors that such motion or pleading is inconsistent with this Agreement;

(g) the Requisite Consenting First Lien Bank Lenders or the Requisite Consenting First Lien Bond Holders determine, in good faith and in their reasonable discretion, that a material adverse change regarding the feasibility of the Restructuring has occurred;

(h) the Bankruptcy Court grants relief in a final order that is materially inconsistent with this Agreement;

² [NTD: Treatment of banks if banks terminate TBD.]

- (i) the Company exercises its “fiduciary out” in accordance with Section 5(c) or (d) of this Agreement;
- (j) the Company makes any portion of the December Second Lien Interest Payment and CEC fails to make the corresponding CEC Second Lien Coupon Deposit;
- (k) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any assets of the Company, without the written consent of the Requisite Consenting Creditors;
- (l) any Person obtains standing or commences an action to challenge the validity or priority of, or to avoid, the liens on any asset or assets comprising any portion of the collateral securing the First Lien Indebtedness;
- (m) [PropCo] fails to be organized and operated in conformity with the requirements for qualification and taxation as a real estate investment trust subject to taxation under the provisions of Sections 856 *et seq.* of the Internal Revenue Code or the requirements for a tax-free spinoff under the Internal Revenue Code, in each case as contemplated in the Restructuring Term Sheet;
- (n) at 11:59 p.m. prevailing Eastern Time upon the date of entry of an order by the Bankruptcy Court invalidating or disallowing, as applicable, either (i) the enforceability, priority, or validity of all of the liens securing the obligations owed under the Credit Agreement or (ii) the claims in respect of the Credit Agreement;
- (o) at 11:59 p.m. prevailing Eastern Time upon the date of entry of an order by the Bankruptcy Court invalidating or disallowing, as applicable, either (i) the enforceability, priority, or validity of all of the liens securing the obligations owed under the First Lien Indentures or (ii) the claims in respect of the First Lien Indentures; or
- (p) at 11:59 p.m. prevailing Eastern Time on the Outside Date if all of the transactions contemplated hereby have not been consummated.

The exercise by either the Requisite Consenting First Lien Bank Lenders or the Requisite Consenting First Lien Bond Holders of a Creditor Termination Right shall not relieve any Party other than the Consenting First Lien Bank Lenders or Consenting First Lien Bond Holders, as applicable, of any of its obligations under this Agreement. The failure by either the Requisite First Lien Bank Lenders or the Requisite First Lien Bond Holders to exercise any Creditor Termination Right upon the other’s exercise of a Creditor Termination Right shall not be deemed a waiver of any such Creditor Termination Right, and such Parties shall retain all rights with respect thereto. For the avoidance of doubt: (x) the termination of this Agreement (i) with respect to any Consenting First Lien Bank Lender shall be with respect to all Claims held by such Consenting First Lien Bank Lender, irrespective of whether it holds First Lien Bond Debt, and (ii) with respect to any Consenting First Lien Bond Holder shall be with respect to all Claims held by such Consenting First Lien Bond Holder, irrespective of whether it holds First Lien Bank Debt; and (y) upon the exercise of a Creditor Termination Right by either of the Requisite Consenting First Lien Bank Lenders or

the Requisite Consenting First Lien Bond Holders, any provision of this Agreement requiring the consent, approval or satisfaction of both the Requisite Consenting First Lien Bank Lenders and the Requisite Consenting First Lien Bond Holders shall be deemed to require only the consent of (i) the Requisite Consenting First Lien Bank Lenders, in the event the Requisite Consenting First Lien Bond Holders have exercised a Creditor Termination Right, or (ii) the Requisite Consenting First Lien Bond Holders, in the event the Requisite Consenting First Lien Bank Lenders have exercised a Creditor Termination Right.

9. Mutual Termination. This Agreement and the obligations of the Parties hereunder may be terminated by mutual agreement among (a) the Company Parties, (b) the Requisite Consenting First Lien Bank Lenders, and (c) the Requisite Consenting First Lien Bond Holders.

10. Company Termination Events. This Agreement may be terminated by delivery to the other Parties of a written notice, delivered in accordance with Section 27 of this Agreement by the Company upon the occurrence of any of the following events (each a "Company Termination Event," and, together with the Creditor Termination Events, the "Termination Events"): (a) only with respect to the applicable Consenting Creditor, the breach by such Consenting Creditor of any of the representations, warranties or covenants of such Consenting Creditor set forth in this Agreement that would have a material adverse impact on the Company, or the consummation of the Restructuring, which breach remains uncured for a period of five (5) business days after the receipt by such Consenting Creditor of notice of such breach; (b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring, which remains uncured for a period of five (5) business days after the receipt by the Consenting Creditors of notice of such event, provided, that the Company Parties have complied with their obligations under Section 5(a)(iv) of this Agreement; (c) the exercise by the Company and CEC (and/or their officers, directors and/or members, as applicable) of their fiduciary duties pursuant to and in accordance with Section 5(c) or (d) of this Agreement; (d) solely with respect to the Consenting First Lien Bank Lenders, if 66 2/3% of the holders of First Lien Bank Debt are not Consenting Creditors as of January 15, 2015; and (e) solely with respect to the Consenting First Lien Bond Holders, if 66 2/3% of the holders of First Lien Bond Debt are not Consenting Creditors as of January 15, 2015.

11. Termination. No Party may terminate this Agreement pursuant to Sections 8, 10 or 11 if such terminating Party (or Parties) failed to perform or comply in all material respects with the terms and conditions of this Agreement, with such failure to perform or comply causing, or resulting in, the occurrence of the Termination Event specified herein. No termination of this Agreement shall relieve any Party hereto from (i) liability for its breach or non-performance of its obligations hereunder prior to the applicable termination date, including but not limited to CEC's and the Company's obligations to pay the First Lien Professional Fees, or (ii) obligations under this Agreement which by their terms expressly survive a termination date; provided, however, that, notwithstanding anything to the contrary herein, any Termination Event (including any automatic termination) may be waived in accordance with the procedures established by Section 14 hereof, in which case such Termination Event so waived shall be deemed not to have occurred, this Agreement consequently shall be deemed to continue in full force and effect, and the rights and obligations of the Parties shall be restored, subject to any modification set forth in such waiver.

Upon termination of this Agreement in accordance with its terms, unless otherwise agreed to in writing by a Consenting Creditor, any and all votes, approvals or consents delivered by such Consenting Creditor and, as applicable, its Affiliates, subsidiaries, managed funds, representatives, agents and employees, in connection with the Restructuring prior to such termination date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Company.

12. Transfer of Claims. The Consenting Creditors agree, with the exception of the permitted transfers and purchases enumerated in (i) and (ii) below, that no Consenting Creditor will, directly or indirectly, sell, contract to sell, give, assign, hypothecate, pledge, encumber, grant a security interest in, offer, sell any option or contract to purchase, or otherwise transfer or dispose of, any economic, voting or other rights in or to, by operation of law or otherwise (collectively, “Transfer”), all or any portion of its First Lien Claims now or hereafter owned, and no such Transfer will be effective, unless: (a) the transferee executes and provides a transfer agreement (a “Transfer Agreement”) in the form attached hereto as Exhibit E, pursuant to which the transferee agrees to be bound by all of the terms and conditions of this Agreement and (b) the Consenting Creditor effecting such Transfer notifies counsel to the other Parties hereto in writing of such Transfer within two (2) Business Days of the execution of an agreement (or trade confirmation) in respect of such Transfer. In addition to the foregoing Transfer, the following Transfers shall be permitted:

(i) any Transfer by one Consenting Creditor to an Affiliate of such Consenting Creditor or one or more of its affiliated funds or an affiliated entity or entities with a common investment advisor (in each case, other than portfolio companies); and

(ii) any Transfer by one Consenting Creditor to another Consenting Creditor.

Any Transfer of any First Lien Claim of a Consenting Creditor that does not comply with the foregoing shall be deemed void *ab initio*; provided, however, for the avoidance of doubt, that upon any purchase, acquisition or assumption by any Consenting Creditor of any Claims (including but not limited to First Lien Claims), such Claims shall automatically be deemed to be subject to all the terms of this Agreement. The restrictions in this Agreement are in addition to any Transfer restrictions in the Credit Agreement, the First Lien Indentures and Non-First Lien Indentures, and in the event of a conflict the Transfer restrictions contained in this Agreement shall control.

Notwithstanding the foregoing, a Qualified Marketmaker that acquires any First Lien Claim subject to this Agreement with the purpose and intent of acting as a Qualified Marketmaker for such First Lien Claim shall not be required to execute a Transfer Agreement or otherwise agree to be bound by the terms and conditions set forth herein if such Qualified Marketmaker sells or assigns such First Lien Claim within ten (10) Business Days of its acquisition and the purchaser or assignee of such First Lien Claim is a Consenting Creditor or an entity that executes and provides a Transfer Agreement in accordance with the terms set forth herein.

Notwithstanding anything herein to the contrary: (a) to the extent that a Consenting Creditor effects the transfer of all of its First Lien Claims, such Consenting Creditor shall cease to be a Party to this Agreement in all respects and shall have no further obligations hereunder; provided, however, that if such Consenting Creditor acquires a First Lien Claim at any point thereafter, it shall be deemed to

be a Party to this Agreement on the same terms as if had it not effected a Transfer of all of its First Lien Claims; and (b) subject to Section 2(c) hereof, to the extent that a Consenting Creditor effects the Transfer of a First Lien Claim that it holds as a participant (and not grantor) pursuant to a participation agreement with voting provisions substantially similar to those set forth in the form of participation agreement produced by the Loan Syndications & Trading Association, the transferee thereof shall not be required to execute a Transfer Agreement.

13. Cooperation. Before the filing of and during the Chapter 11 Cases, (i) the Company shall provide to counsel for the Consenting Creditors (a) drafts of all motions or applications and other documents the Company intends to file with the Bankruptcy Court at least three (3) Business Days before the date when the Company intends to file any such document unless such advance notice is impossible or impracticable under the circumstances, in which case the Company shall notify telephonically or by electronic mail counsel to the Consenting Creditors to advise it of the documents to be filed and the facts that make the provision of advance copies within three (3) Business Days before submission impossible or impracticable, and shall provide such copies as soon as possible thereafter, and (b) copies of all documents actually filed by the Company with the Bankruptcy Court promptly but not later than one (1) day after such filing.

14. Amendments. Other than to cure any ambiguity, omission, defect or inconsistency herein, which shall require the consent of the Requisite Consenting Creditors, no amendment, modification, waiver or other supplement of the terms of this Agreement (including, for the avoidance of doubt, the Restructuring Term Sheet and the Cash Collateral Stipulation) shall be valid unless such amendment, modification, waiver or other supplement is in writing and has been signed by the Company, CEC, and each Consenting Creditor.

15. Condition of Effectiveness. For the avoidance of doubt, this Agreement (and the obligations of all Parties thereunder) shall not become effective or enforceable against or by any of the Parties until: (i) it is executed by (a) the Company Parties, (b) the Initial Consenting Creditors; (ii) the Additional Litigation Parties listed on Exhibit F hereto have each executed and delivered to the Consenting Creditors' counsel a tolling agreement in substantially the form attached hereto as Exhibit G; and (iii) the Company has executed account control agreements with respect to the Deposit Accounts in the forms attached hereto as Exhibit H and Exhibit I, respectively.

16. Entire Agreement. This Agreement, including the Restructuring Term Sheet and the Cash Collateral Stipulation, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement; provided, however, that any confidentiality agreement executed by any Restructuring Support Party shall survive this Agreement and shall continue to be in full force and effect in accordance with its terms.

17. Survival of Agreement. Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning a possible restructuring of the Company and in contemplation of possible filings by the Company under Chapter 11 of the Bankruptcy Code, and (a) the exercise of the rights granted in this Agreement (including giving of notice or termination) shall not be a violation of the automatic stay provisions of section 362 of the

Bankruptcy Code and (b) the Company hereby waives its right to assert a contrary position in the Chapter 11 Cases, if any, with respect to the foregoing.

18. Waiver. If the transactions contemplated herein are not consummated, or following the occurrence of the termination of this Agreement with respect to all Parties, if applicable, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

20. Company Termination Fee. Notwithstanding anything to the contrary herein, to the extent either (i) the Company terminates this Agreement pursuant to Section 5(c) or (d) and Section 10 of this Agreement or (ii) the Company or CEC breaches any of their representations, warranties or covenants under this Agreement in any material respect, without limiting the availability of other remedies and rights hereunder, at law or in equity (including specific performance and/or breach of contract claims), CEC shall pay to the Consenting Creditors at such time an amount equal to \$600,000,000 (the "Termination Fee"). The Termination Fee shall be allocated *pro rata* among the Consenting Creditors based on their respective holdings of First Lien Claims as of the date of such occurrence.

21. Specific Performance; Remedies Cumulative. This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. In the event of a breach of this Agreement by the Company or CEC, CEC shall be liable to the non-breaching Consenting Creditors in an amount equal to no less than the Termination Fee plus any additional provable damages. It is understood and agreed that money damages may not be a sufficient remedy for any such breach of this Agreement, and that any non-breaching Party shall be entitled to seek specific performance and injunctive relief as remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall not be deemed to be the exclusive remedies for the breach of this Agreement by any Party or its representatives. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy by any Party hereto shall not preclude the simultaneous or later exercise of any other such right, power or remedy hereunder.

22. Headings. The headings of the Sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

23. Relationship Among Parties. Notwithstanding anything herein to the contrary, the duties and obligations of the Restructuring Support Parties under this Agreement shall be several, not

joint. No Restructuring Support Party shall, as a result of its entering into and performing its obligations under this Agreement, be deemed to be part of a “group” (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) with any of the other Restructuring Support Parties.

24. Joint and Several Liability of Company and CEC. The Company and CEC each acknowledge and agree that they are jointly and severally liable for the other’s performance of all obligations under this Agreement.

25. No Commitment. No Restructuring Support Party (other than CEC, as expressly set forth herein) shall be obligated to fund or otherwise be committed to provide funding in connection with the Restructuring, except pursuant to a separate commitment letter or definitive documentation relating specifically to such funding, if any, that has been (i) executed by such Restructuring Support Party in connection with the Rights Offering³ and (ii) approved by the Bankruptcy Court, as necessary.

26. Governing Law and Dispute Resolution. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state’s choice of law provisions which would require the application of the law of any other jurisdiction. Each of the Parties hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Agreement, provided, that upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement

27. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally, by electronic mail or facsimile transmission, or mailed (first class postage prepaid) to the parties at the following addresses or facsimile numbers:

If to the Company:

With a copy to (which shall not constitute notice):

³ [Not defined.]

Kirkland & Ellis
601 Lexington Ave
New York, NY 10022
Attn: Paul M. Basta
paul.basta@kirkland.com
Fascimile: (212) 446 4900
If to CEC:

[ADDITIONAL COMPANY PARTIES]

With a copy to (which shall not
constitute notice):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attn: Alan W. Kornberg
Jeffrey D. Saferstein
akornberg@paulweiss.com
jsaferstein@paulweiss.com
Telephone: (212) 373-3000
Facsimile (212) 373-2053

If to a Consenting First Lien Bank Lender, to the address set forth beneath such lender's signature
block.

with a copy to (which shall not constitute notice):

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
Attn: Kristopher M. Hansen
Jon Canfield
khansen@stroock.com
jcanfield@stroock.com
Telephone: (212) 806-5400
Facsimile: (212) 806-6056

If to a Consenting First Lien Bond Lender, to the address set forth beneath such lender's signature block.

with a copy to (which shall not constitute notice):

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Kenneth H. Eckstein
Daniel M. Eggermann
keckstein@kramerlevin.com
deggermann@kramerlevin.com
Telephone: (212) 715-9100
Facsimile: (212) 715-8229

28. Third-Party Beneficiaries. Unless expressly stated herein and except as provided in the proviso at the end of this sentence, the terms and provisions of this Agreement are intended solely for the benefit of the Parties hereto and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

29. Conflicts Between the Restructuring Term Sheet and this Agreement. In the event of any conflict among the terms and provisions in the Restructuring Term Sheet and this Agreement, the terms and provisions of the Restructuring Term Sheet shall control. Nothing contained in this Section 29 shall affect, in any way, the requirements set forth herein for the amendment of this Agreement and the Restructuring Term Sheet as set forth in Section 14 herein.

30. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement.

31. Good-Faith Cooperation; Further Assurances. The parties hereto shall cooperate with each other in good faith in respect of matters concerning the implementation and consummation of the Restructuring.

32. Access. The Company will provide the Parties and their respective attorneys, consultants, accountants, and other authorized representatives reasonable access, upon reasonable notice, during normal business hours to relevant properties, books, contracts, commitments, records, management personnel, and advisors of the Company; provided, however that the Company's obligations hereunder shall be conditioned upon such Party being party to an appropriate confidentiality agreement or undertaking.

33. Qualification on Consenting Creditor Representations. The Parties acknowledge that all representations, warranties, covenants and other agreements made by any Consenting Creditor that

is a separately managed account of an investment manager are being made only with respect to the Claims managed by such investment manager (in the amount identified on the signature pages hereto), and shall not apply to (or be deemed to be made in relation to) any Claims that may be beneficially owned by such Consenting Creditor that are not held through accounts managed by such investment manager.

34. Amendment of Amended and Restated Waiver Agreement. Section 7 of the Amended and Restated Waiver Agreement is hereby amended by agreement of the Company and CEC such that the second sentence of that section reads:

Subject to written extension by the Caesars Entities, any Notice of Default that is provided after [120 days after execution of RSA] shall not have the benefit of paragraph 2 of this Agreement.

The Company and CEC expressly affirm those covenants, representations, warranties and acknowledgments made in Sections 3, 4, 6 and 9 of Amended and Restated Waiver Agreement.

35. No Restraint on Notices of Default or Remedies. Except as expressly provided in this Agreement, each of the Company Parties agrees that none of the Trustee, the Collateral Agent, the Administrative Agent, or any holders of First Lien Indebtedness shall be restricted, limited or prohibited from providing a Notice of Default with respect to any or all defaults (as such terms are used in the Credit Agreement and the First Lien Indentures) under any or all of the Credit Agreement or First Lien Indentures at any time on or after the Company's execution of this Agreement, or from taking such other actions and enforcing such other rights as are available under the Credit Agreement, the First Lien Indentures, any agreement related to the Credit Agreement and/or the First Lien Indentures, and applicable law.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**CAESARS ENTERTAINMENT OPERATING
COMPANY, INC.**

By: _____
Name:
Title:

[SIGNATURE PAGES FOR CEC, CAC, CERP, CGP, APOLLO AND TPG]

_____,
By: _____

By: _____

Name:

Title:

Address: _____

Principal Amount of First Lien Bank Claims held

(\$) _____

Date: _____

Principal Amount of First Lien Bond Claims held

(\$) _____

Date: _____

Principal Amount of Non-First Lien Indentures
Obligations held

(\$) _____

Date: _____

**[SIGNATURE PAGE FOR CONSENTING
CREDITORS]**

_____,
By: _____

By: _____

Name:

Title:

Address: _____

Principal Amount of First Lien Bank Claims held

(\$) _____

Date: _____

Principal Amount of First Lien Bond Claims held

(\$) _____

Date: _____

Principal Amount of Non-First Lien Indentures
Obligations held

(\$) _____

Date: _____

Exhibit A

Restructuring Term Sheet

Exhibit B

Cash Collateral Stipulation

Exhibit C

Milestones⁴

The failure to comply with any of the following Milestones will result in a Creditor Termination Event under Section 8 of this Agreement:

1. The Company shall commence the Chapter 11 Cases on January 15, 2015, or within five (5) Business Days thereafter.
2. On the Petition Date, the Company shall have filed a motion seeking the Bankruptcy Court's approval of the assumption of this Agreement, in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders.
3. Within 30 days of the Petition Date, the Company shall have filed the Plan and Disclosure Statement, in each case in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders; for the avoidance of doubt, any supplement to the Plan must be in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders.
4. Within 45 days of the Petition Date, the Company shall have obtained entry by the Bankruptcy Court of (a) a final Cash Collateral Order that is consistent in all material respects with the terms of the Cash Collateral Stipulation attached to this Agreement as Exhibit B and (b) an order approving the assumption of this Agreement, in each case in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders.
5. Within 120 days of the Petition Date, the Company shall have obtained entry by the Bankruptcy Court of (a) an order approving the Disclosure Statement and (b) an order approving solicitation procedures (the "Solicitation Procedures") in relation to the Plan and Disclosure Statement, in each case in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders.
6. Prior to the Solicitation Date (as such term is defined in the Solicitation Procedures), the Company shall have filed with the Bankruptcy Court a proposed order confirming the Plan (the "Confirmation Order") in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and Requisite Consenting First Lien Bond Holders.
7. Within 90 days of the Bankruptcy Court's approval of the Disclosure Statement, the Company shall have obtained entry by the Bankruptcy Court of the Confirmation Order, as such Confirmation Order may have been amended by the Bankruptcy Court; provided that any such amendments shall be in form, scope and substance satisfactory to the Requisite Consenting First Lien Bank Lenders and the Requisite Consenting First Lien Bond Holders.
8. Within 120 days of the entry by the Bankruptcy Court of the Confirmation Order (the "Outside Date"), the Plan Effective Date shall have occurred.

⁴ [Note: Certain capitalized terms herein will need to be defined in the Term Sheet.]

Exhibit D

Put Participant, Backstop Party and Right Participant Election Form

Exhibit E

Transfer Agreement

PROVISION FOR TRANSFER AGREEMENT

The undersigned (“Transferee”) (a) hereby acknowledges that it has read and understands the Restructuring Support and Forbearance Agreement, dated as of _____ (the “Agreement”),¹ by and among the Company Parties and each of the Consenting Creditors party thereto, (b) desires to acquire the Claim(s) described below from one of the Consenting Creditors (the “Transferor”) and (c) hereby irrevocably agrees to be bound by the terms and conditions of the Agreement to the same extent Transferor was thereby bound, and shall be deemed a Consenting Creditor for all purposes under the Agreement.

The Transferee hereby specifically and irrevocably agrees (i) to be bound by the terms and conditions of the Credit Agreement and/or First Lien Indentures, as applicable, and the Agreement, to the same extent applicable to the Transferred Claims, (ii) to be bound by the vote of the Transferor if cast prior to the effectiveness of the transfer of the Claims, and (iii) that each of the Parties shall be an express third-party beneficiary of this Provision for Transfer Agreement and shall have the same recourse against the Transferee under the Agreement as such Party would have had against the Transferor.

Date Executed: _____,

Print name of Transferee

Name:

Title:

Address: _____

Attention: _____

Telephone: _____

Facsimile: _____

Principal Amount Held	
Claim	Amount
Claims (specify type)	

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit F

Additional Litigation Parties

Gary Loveman

Jeffrey Benjamin

David Bonderman

Kelvin Davis

Fred J. Kleisner

Eric Press

Marc Rowan

David Sambur

Lynn C. Swann

Christopher J. Williams

Jeffrey Housenbold

Eric Hession

Michael Cohen

Ronen Stauber

Steven Winograd

Donald Colvin

Caesars Enterprise Services LLC

Caesars Growth Bonds, LLC

Exhibit G

Tolling Agreement

Reference is made to that certain Restructuring Support and Forbearance Agreement, dated as of _____ (the “Agreement”),¹ by and among the Company Parties and each of the Consenting Creditors party thereto. In exchange for the consideration provided by the Consenting Creditors pursuant to the Agreement, the value and sufficiency of which is hereby acknowledged, the undersigned (“Tolling Party”) acknowledges and agrees that the time from the date of the Agreement through and including the date that is five (5) Business Days after the date that the Agreement has been terminated with respect to all Parties shall not be counted for purposes of determining whether any litigation commenced or claim interposed by any of the Consenting Creditors, the Trustee, the Collateral Agent or the Administrative Agent against Tolling Party, which litigation or claim relates in any way to the Company or its Affiliates (including, but not limited to, any claims relating to any transaction by or among, or approved by, the Company Parties or the Additional Litigation Parties), was commenced or interposed within the applicable statute of limitations or in compliance with any other rule or doctrine of timeliness.

Date Executed: _____,

Print name of Tolling Party

Name:

Title:

Address: _____

Attention:

Telephone: _____

Facsimile: _____

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit H

Account Control Agreement

Exhibit I

Account Control Agreement

SEPARATION SHEET

This document and any related communications shall not be used for any purpose in any litigation or proceeding

This Term Sheet is highly confidential and this Term Sheet, its contents and its existence may not be distributed, disclosed or discussed to or with any party other than in accordance with the express terms of confidentiality agreements/arrangements among the respective parties and the Company.

SUMMARY TERM SHEET FOR PROPOSED RESTRUCTURING¹²

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.
and certain of its direct or indirect subsidiaries
 (“CEOC” and together with certain of its direct or indirect subsidiaries, the “Company”)

¹ Nothing herein shall be deemed to be the solicitation of an acceptance or rejection of a plan of reorganization; any such solicitation shall be in compliance with the relevant provisions of securities laws, the Bankruptcy Code and other applicable statutes and rules.

² This Term Sheet is an exhibit to, and part of, the Restructuring Support and Forbearance Agreement (the “RSA”), which contains additional descriptive language and legal terms in respect of the Company’s restructuring.

I. Summary of Proposed Treatment³

<p>Holders of the obligations (the “First Lien Bank Obligations”) under the First Lien Credit Agreement (\$5,364 million plus interest thereon) and swaps entered into pursuant to the First Lien Credit Agreement (\$42 million) (collectively, the “First Lien Bank Lenders”)</p>	<p>Each First Lien Bank Lender shall receive a recovery equal in value to [100]% of the amounts outstanding under the First Lien Credit Agreement, with such recovery consisting of its pro rata share of (a) [8.0]% in cash, (b) [28.7]% in New First Lien OpCo Debt, (c) [36.3]% in New First Lien PropCo Debt, and (d) [27.0]% in CPLV Debt or additional cash if the CPLV Debt is financed for cash.</p>
<p>Holders of the obligations (the “First Lien Note Obligations”) under the First Lien Indentures (\$6,345 million plus interest thereon) (the “First Lien Noteholders”)</p>	<p>Each First Lien Noteholder shall receive a recovery equal in value to [93.8]% of the amounts outstanding under the First Lien Indentures, with such recovery, prior to exercise of the Put Option and Equity Right (if applicable), consisting of its pro rata share of (a) [4.6]% in cash, (b) [8.5]% in New First Lien OpCo Debt, (c) [6.8]% in New First Lien PropCo Debt, (d)[22.5]% in New Second Lien PropCo Debt, (e) [18.1]% in CPLV Debt or additional cash if the CPLV Debt is financed for cash, (f) [19.2]% in PropCo New Common Stock, (g) [11.0]% in OpCo New Common Stock, and (h) [3.2]% in PropCo New Preferred Stock.</p> <p>As more fully described under Put Option and Equity Right, the First Lien Noteholders (a) will have the opportunity to be a Put Participant and sell some or all of their equity to other parties for cash and/or (b) may receive cash for some or all of their equity from the Non-First Lien Noteholders in connection with the exercise of the Equity Rights.</p> <p>If the Put Participants fully subscribe to the Put Options, then each First Lien Noteholder will receive a [18.9]% cash recovery increase and a corresponding decrease in its equity recovery.</p>
<p>Holders of the obligations (the “Non-First Lien Obligations”) under (a) the Second Lien</p>	<p>If the Non-First Lien Noteholders vote as a class to accept the Plan, then each Non-First Lien Noteholder shall receive its pro rata share of an amount of PropCo New Common Stock to be determined,⁴ which includes</p>

³ Administrative, priority and critical trade claims shall be paid in full in cash as soon as practicable following consummation of the Restructuring or as otherwise provided for in definitive documentation. Treatment of noncritical trade claims to be determined.

⁴ If the Non-First Lien Noteholders as a class vote to accept the Plan, the PropCo New Common Stock they are to receive will increase the amount of PropCo New Common Stock to be issued and will dilute all other holders of PropCo New Common Stock. CEOC can substitute up to [__]% of PropCo New Common Stock for up to [__]% of OpCo New Common Stock.

<p>Indentures (\$5,252 million plus interest thereon) (the “Second Lien Noteholders”), (b) the guaranteed unsecured indentures (\$495 million plus interest thereon) (the “Unsecured Guaranteed Noteholders”), and (c) the unsecured note indentures (\$820 million plus interest thereon) (the “Unsecured Noteholders,” collectively with the Second Lien Noteholders and Unsecured Guaranteed Noteholders, the “Non-First Lien Noteholders”)</p>	<p>consideration for the value of any unencumbered assets.⁵ And, as more fully described under the Equity Right, if the Non-First Lien Noteholders vote as a class to accept the Plan, each Non-First Lien Noteholder shall also have the option to be a Rights Participant.</p> <p>If the Non-First Lien Noteholders do not vote as a class to accept the Plan, then each Non-First Lien Noteholder shall only receive its pro rata share of consideration in an amount equal to the value of any unencumbered assets (subject to the First Lien Noteholders’ deficiency claims) to be paid in PropCo New Common Stock and/or OpCo New Common Stock.</p>
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II. Put Option and Equity Rights⁶

<p>Put Option</p>	<p>Each First Lien Noteholder shall have the option (which option shall be selected upon execution of the RSA in the case of any First Lien Noteholder executing the RSA) to put its pro rata portion of (i) all \$[700] million of the OpCo New Common Stock (the “OpCo New Common Stock Put Option”); (ii) \$[300] million of the PropCo New Common Stock (the “PropCo New Common Stock Put Option”); and/or (iii) all \$[200] million of the PropCo New Preferred Stock (the “PropCo New Preferred Stock Put Option” and, together with (i) and (ii), the “Put Option”), it is to receive under the Plan to Caesars Entertainment Company or its designee (“CEC”) and funds controlled or managed by the First Lien Noteholders listed in Annex I (CEC and such parties, the “Initial Backstop Parties”).</p> <p>Each First Lien Noteholder that exercises its Put Option shall be referred to herein as a “Put Participant.”</p>
<p>Put Option Allocation Between the Backstop Parties</p>	<p>As detailed in <u>Annex I</u>, CEC shall purchase all the OpCo New Common Stock Put Options.⁷ Subject to the next paragraph, the Initial Backstop Parties shall purchase (a) the PropCo New Common Stock subject to the PropCo New Common Stock Put Options exercised by the Put Participants and (b) the PropCo New Preferred Stock subject to the PropCo New Preferred Stock Put Options exercised by the Put Participants.</p> <p>The First Lien Noteholders that are not Initial Backstop Parties may elect to become backstop parties (together with the Initial Backstop Parties, the “Backstop Parties”) and purchase (a) the PropCo New Preferred Stock</p>

⁵ If the Non-First Lien Noteholders vote as a class to accept the Plan, the First Lien Noteholders will waive their deficiency claim.

⁶ For tax efficiency purposes, the proceeds from the Put Option and Equity Rights may flow through the Company to the First Noteholders as part of their recovery under the Plan.

⁷ NTD: It is assumed that the First Lien Noteholders executing the RSA select to put at least 50.1% of the OpCo New Common Stock to CEC.

	<p>subject to the PropCo New Preferred Put Options and/or (b) the PropCo New Common Stock subject to the PropCo New Common Put Options. Such election will dilute the Initial Backstop Parties; <u>provided, however</u> that the PropCo New Common Stock purchased by CEC pursuant to the Put Option cannot be diluted below 5% of the total amount of PropCo New Common Stock. First Lien Noteholders executing the RSA must elect to become Backstop Parties (and the amount of their backstop) at the time of executing the RSA. All First Lien Noteholders not executing the RSA will have to join the backstop within 30 calendar days of the filing of an 8-K announcing the execution of the RSA.</p> <p>The Backstop Parties shall receive no fee for purchasing the equity subject to the Put Participants' Put Options.</p>
Put Option Price	<p>The Put Option shall be at a price per share implying a total value of \$[700] million for all OpCo New Common Stock, \$[1,218] million for all PropCo New Common Stock (which excludes the value of the PropCo New Common Stock the Non-First Lien Noteholders will receive if they vote as a class to accept the Plan) and \$[200] million for all PropCo New Preferred Stock.</p>
Equity Rights	<p>If the Non-First Lien Noteholders vote as a class to accept the Plan, the “Equity Rights” as detailed below shall occur and each Non-First Lien Noteholder shall have the right to be a “Right Participant.” If the Non-First Lien Noteholders do not vote as a class to accept the Plan, there shall be no Equity Rights.</p> <p>Each Right Participant may elect (which election shall be selected upon execution of the RSA in the case of any Non-First Lien Noteholder executing the RSA) to have the right to purchase (with the purchase occurring after the closing of the Put Option) up to (a) all of the PropCo New Common Stock held by the First Lien Noteholders and the Backstop Parties (the “PropCo Common Equity Rights”), and/or (b) all of the PropCo New Preferred Stock held by the First Lien Noteholders and the Backstop Parties (the “PropCo Preferred Equity Rights” and together with the PropCo Common Equity Rights, the “Equity Rights”), subject to being cut back to a pro rata basis based on the PropCo Common Equity Rights and PropCo Preferred Equity Rights subscribed for.</p> <p>The Right Participants must purchase the PropCo New Common Stock and/or the PropCo New Preferred Stock <u>first</u> from the First Lien Noteholders (pro rata among the First Lien Noteholders), <u>second</u> from the non-CEC Backstop Parties (pro rata among the non-CEC Backstop Parties), and <u>third</u> from CEC, subject to CEC maintaining a minimum ownership percentage of 5% of the total amount of PropCo New Common Stock.</p> <p>For the avoidance of doubt, the First Lien Noteholders and the Backstop Parties, as applicable, must sell their respective equity, pursuant to the terms of the Equity Rights, to the Right Participants. The Right Participants shall receive no fee for acting as Right Participants.</p>

Equity Rights Price	The Equity Rights shall be at the same price per share as the Put Option.
Regulatory Requirements	<p>Any party receiving OpCo New Common Stock, PropCo New Common Stock and/or PropCo New Preferred Stock agrees to abide by, and use its best efforts to obtain, any regulatory and licensing requirements or approvals that may arise as a result of such party's equity holdings in PropCo or OpCo, as the case may be. To ensure regulatory approvals and prompt consummation of the Restructuring, any party signing the RSA must irrevocably elect upon execution of the RSA to be a Put Participant or a Right Participant and the amount of its Put Options or Equity Rights, as applicable.</p> <p>The Company will assist with required regulatory approvals and structuring issues. To the extent any required regulatory approvals are not obtained by the Closing of the Restructuring, the parties agree to take such actions as may be necessary or desirable to permit consummation of the Restructuring at such time, including entering into transactions to permit the Closing to occur while such regulatory approvals are pending (alternate temporary structures) or selling down their equity securities if regulatory approval is not obtained. In furtherance of the foregoing, such parties agree that to the extent they are to receive in excess of 9.9% of the equity and regulatory approvals are not obtained by the Closing, all equity securities of such party in excess of 9.9% shall be put into escrow, or the parties shall cooperate to find an acceptable structure to allow for closing, pending the required regulatory approvals, including selling down below any regulatory thresholds.</p>
Closing	The Put Option and Equity Rights will close immediately following distribution of the equity securities under the Plan (it being understood that the exercise date for the Put Options and Equity Rights will be set forth in the solicitation materials and shall occur on a date determined by the Company prior to the projected effective date of the Plan).
Put Option and Equity Rights Conditions Precedent	<p>The Put Option and Equity Rights will be subject to customary conditions precedent including:</p> <ul style="list-style-type: none"> • the Bankruptcy Court shall have entered orders (a) approving the disclosure statement in respect of the Plan, (b) authorizing and approving the RSA, and (c) confirming the Plan; • the effective date of the Plan shall have occurred; • all regulatory approvals, or waiting periods, shall have been received or expired; • there shall have been no Material Adverse Change (to be defined in the definitive documents); and • other customary conditions precedent in form and substance

	satisfactory to the Company, the Backstop Parties.
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III. New Common and Preferred Stock

Common Stock	<p>The common equity securities to be issued will consist of new shares of common stock (a) of PropCo (such stock, the “PropCo New Common Stock”) and (b) of OpCo (such stock, the “OpCo New Common Stock”).</p> <p>The Boards of Directors of OpCo and PropCo shall each use its reasonable best efforts to have the OpCo New Common Stock, if more than 30% of the OpCo New Common Stock is owned by the First Lien Noteholders and Non-First Lien Noteholders (the “Non-CEC Holders”), and PropCo New Common Stock, respectively, (a) registered under US securities laws and (b) listed on a nationally recognized exchange.</p>
PropCo New Preferred Stock	<p>The preferred equity securities to be issued will consist of new shares of preferred stock of PropCo (such stock, the “PropCo New Preferred Stock”). The PropCo New Preferred Stock will have a [__]% coupon and will be convertible to PropCo New Common Stock at a [__]% premium to the value ascribed to PropCo New Common Stock under the Plan, mandatory conversion at PropCo’s election starting in year 5; additional terms of the PropCo New Preferred Stock are described in <u>Annex II</u>.</p>

IV. CEC

Cash Contribution	\$100 million to be used by the Company for general corporate purposes.
CEC Put Option Purchases	CEC or an affiliated entity shall, pursuant to the Put Option, purchase up to \$[300] million of PropCo New Common Stock and \$[700] million of OpCo New Common Stock.
Domestic Acquisitions and New Building Opportunities	<p>CEC and its non-debtor subsidiaries shall give PropCo a right of first refusal to own the real estate, and have CEC or OpCo lease, all non-destination domestic (U.S.) real estate acquisitions and new building opportunities with CES retaining management rights with respect to such opportunities.</p> <p>PropCo shall give CEC a right of first refusal to operate and manage all properties that PropCo acquires.</p>
CEC Lease Guaranty	CEC, OpCo and PropCo will enter into a Management and Lease Support Agreement (the “ MLSA ”) pursuant to which (i) CEC, or a wholly-owned subsidiary, will manage the properties on behalf of OpCo and (ii) CEC will provide a limited guaranty in respect of the OpCo’s operating lease obligations, in each case while such lease remains in effect. The terms of the MLSA are described more fully in the term sheet attached as <u>Annex III</u> .
Releases	The Plan shall provide that CEC’s participation in the Plan through its entry into the RSA and performance of the terms thereunder in facilitating the

	<p>transactions contemplated by the Restructuring shall be a full and complete settlement under Bankruptcy Rule 9019 of any claims or causes of action, known or unknown, that the Company, its estate and third parties have or could have against CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, advisors, managers, attorneys, professionals, advisors and representatives.</p> <p>As part of the settlement embodied in the Plan and the RSA, effective on the date the Restructuring is consummated, as consideration for the Cash Contribution, the CEC Put Option Purchases, the Domestic Acquisitions and New Building Opportunities, entry into the MLSA and other valuable consideration, the Company, its estate and all of the Company’s creditors shall be deemed to have released CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, advisors, managers, attorneys, professionals, advisors and representatives (the “CEC Released Parties”) from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, relating to or based upon any act or omission which occurred prior to the effectiveness of the Restructuring, including a release and waiver of any obligations arising under the Guaranty and Pledge Agreement of CEC dated as of July 25, 2014. The Plan shall also include standard injunction and exculpation provisions in respect of the CEC Released Parties.</p>
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V. Caesars Palace Las Vegas (“CPLV”)

Transfer to Unrestricted Subsidiary	CPLV shall be transferred to a newly formed wholly owned unrestricted subsidiary of PropCo (“ CPLV Sub ”) and its property shall be leased to OpCo.
CPLV Debt	CPLV Sub shall issue \$2,600 million of secured non-guaranteed debt (the “ CPLV Debt ”). 6 year term. Interest at LIBOR plus 2.5% with a 1% floor.
CPLV Sub and Third Party CPLV Debt	<p>CPLV Sub shall use its commercially reasonable efforts to finance the CPLV Debt with third party investors for cash proceeds on or before consummation of the Restructuring (with 100% of the net proceeds being used to repay the holders of the CPLV Debt) (the “Third Party CPLV Debt”).</p> <p>If the CPLV Debt is only partially financed, then, subject to the Requisite Consenting Lenders (as defined in the RSA), the Third Party CPLV Debt shall be senior to any CPLV Debt issued (so long as the principal amount of the Third Party CPLV Debt is greater than the principal amount of the CPLV Debt). If the principal amount of the Third Party CPLV Debt is less than the principal amount of the CPLV Debt, then the Third Party CPLV Debt will be <i>pari passu</i> with the CPLV Debt</p>

VI. REIT

REIT	The Company shall restructure itself upon consummation of the Restructuring as a REIT.
PropCo Call Rights	Subject to the terms of the CERP debt documents and in no event in a manner that is dilutive of covenant compliance, PropCo shall have the right, for up to [180] days following the date the Restructuring is consummated, to enter into a binding agreement to purchase the real estate underlying Harrah's Atlantic City and Harrah's Laughlin for a cash purchase price equal to ten times the agreed annual rent for such properties, with the closing of such purchase(s) to occur following regulatory approvals.

VII. New Capital Structure

New First Lien OpCo Debt	<p>[\$2,073] million in principal amount of first lien debt. 6 year term. Callable at par. Interest at LIBOR plus [3.5]% with a 1% LIBOR floor. Additional terms listed in <u>Annex IV</u>.</p> <p>[\$1,537] million distributed to First Lien Bank Lenders and \$[536] million distributed to First Lien Noteholders.</p>
New First Lien PropCo Debt	<p>[\$2,377] million in principal amount of first lien debt. 5 year term. Callable at par. Interest at LIBOR plus [2.5]% with a 1% LIBOR floor. Additional terms listed in <u>Annex V</u>.</p> <p>[\$1,946] million distributed to the First Lien Bank Lenders and \$[431] million distributed to First Lien Noteholders.</p>
New Second Lien PropCo Debt	<p>[\$1,425] million in principal amount of second lien debt. 6 year term. Callable at par. Interest [7.0]%. Additional terms listed in <u>Annex VI</u>.</p> <p>Distributed to First Lien Noteholders.</p>
CPLV Debt	<p>[\$2,600] million. 6 year term. Callable [at par]. Interest at LIBOR plus 2.5% with a 1% LIBOR floor. Additional terms listed in <u>Annex VII</u>.</p> <p>To be sold to third party lenders as per CPLV section above.</p> <p>[\$1,450] million distributed to the First Lien Bank Lenders and \$[1,150] million distributed to First Lien Noteholders, if not so sold.</p>

VIII. Charter Documents and By-Laws of the Equity Issuers

Corporate Governance	<p>OpCo will be organized under the laws of Delaware and will have charter documents and by-laws that are reasonably acceptable to the Company and CEC.</p> <p>PropCo will be organized under the laws of Delaware and will have charter documents and by-laws that are reasonably acceptable to the Company,</p>
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	CEC and counsel to the First Lien Noteholders.
Board of Directors	<p>The board of directors of OpCo shall consist of 3 members, all of which shall be designated by CEC.</p> <p>At Closing, the initial board of directors of PropCo shall consist of 3 members, with the Non-CEC Holders appointing 2 members and CEC appointing 1. All directors must be licensed by the required regulatory authorities. If the Non-CEC Holders' directors are, at closing, not licensed, then to assist with closing up to 2 of the independent members of CEOC shall be designated to the PropCo board so that there will be 3 members at Closing.</p> <p>Post-Closing, if more than 30% of the PropCo New Common Stock is owned by the Non-CEC Holders, then (a) the Non-CEC Holders and CEC shall appoint directors pro rata and the Board may be expanded to up to 7 members and (b) until such time as the CEOC independents and members designated by CEC are a minority of the board, PropCo shall be prohibited from taking major transactions without shareholder approval.</p>

IX. Implementation

In-Court Restructuring: Use of Cash Collateral	<p>In any chapter 11 case filed by the Company to effectuate the Restructuring, the First Lien Bank Lenders and the First Lien Noteholders will support entry of a cash collateral order that will allow the Company to use cash collateral for working capital and general corporate purposes and to pay costs associated with the Company's Restructuring. The cash collateral arrangements shall allow such use of cash, without significant case-related milestones or budgeting constraints, for the earlier of [18] months and an event of default under such cash collateral order.⁸</p> <p>In exchange for the Company's use of cash collateral, the First Lien Noteholders and the First Lien Bank Lenders shall receive the following:</p> <ul style="list-style-type: none"> • adequate protection liens • liens on proceeds of avoidance actions
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⁸ Events of Default to include, (a) entry of an order modifying the automatic stay with respect to material assets, (b) the Company seeks to create any additional post-petition liens, (c) the Company commences or joins in a proceeding against the First Lien Noteholders or First Lien Bank Lenders, (d) any modification to the Cash Collateral Order without the bank agent's consent, (e) entry of a final order terminating or requiring repayment of the Adequate Protection Payments, (f) dismissal or conversion of the Company's chapter 11 case, (g) termination of the Company's exclusive right to file a Plan, (h) failure to make an Adequate Protection Payment (5 business day grace period), and (i) failure to perform any other material term of the Cash Collateral Order (5 business day cure period).

	<ul style="list-style-type: none"> • payment of legal and financial advisory fees • Adequate Protection Payments at a rate equal to LIBOR plus []%⁹ • receipt of quarterly budgets [in the form attached as <u>Annex VIII</u>], a monthly variance report and an annual business plan and projections
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X. Other

Definitive Agreements	Subject to the terms of the RSA, as soon as reasonably practicable, the parties will execute definitive documents and agreements implementing the Restructuring in form and substance consistent in all material respects with this Term Sheet.
Non Transfer	Under the RSA and subject to its terms, each member of the First Lien Bank Group and First Lien Bond Group will agree, on behalf of itself and its affiliates, not to transfer any First Lien Bank Obligations, First Lien Note Obligations or Non-First Lien Obligations held by such party and its affiliates from the date of execution of the RSA through the consummation of the Restructuring unless such the transferee(s) agree(s) to be bound by all of the terms and conditions of the RSA and this Term Sheet.

⁹ Such payments shall be in consideration for any claims that the First Lien Bank Lenders and First Lien Noteholders may have for diminution of their collateral occasioned by use of their collateral by the Debtors in Possession and shall not under any circumstances be deemed payments of principal.

Annex I
Backstop Parties

Party	New PropCo Common Stock	New OpCo Common Stock	New PropCo Preferred Stock	Total Amount
CEC	[\$300] million ¹⁰	[\$700] million	[\$0]	[\$1,000] million
Elliott	[\$0]	[\$0]	[\$200] million ¹¹	[\$200] million

¹⁰ Subject to dilution (not below 5% of the total amount of PropCo New Common Stock) if other First Lien Noteholders elect to become Backstop Parties.

¹¹ Subject to dilution if other First Lien Noteholders elect to become Backstop Parties.

Annex II
PropCo New Preferred Stock

[to come]

Annex III
Management and Lease Support Agreement

[to come]

Annex IV
New First Lien OpCo Debt

[to come]

Annex V
New First Lien PropCo Debt

[to come]

Annex VI
New Second Lien PropCo Debt

[to come]

Annex VII
CPLV Debt

[to come]

Annex VIII
Form of Quarterly Budget

[to come]

SEPARATION SHEET

This document and any related communications shall not be used for any purpose in any litigation or proceeding.

This Term Sheet is highly confidential and this Term Sheet, its contents and its existence may not be distributed, disclosed or discussed to or with any party other than in accordance with the express terms of confidentiality agreements/arrangements among the respective parties and the Company.

SUMMARY TERM SHEET FOR PROPOSED RESTRUCTURING¹²

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.
and certain of its direct or indirect subsidiaries
(“CEOC” and together with certain of its direct or indirect subsidiaries, the “Company”)

¹ Nothing herein shall be deemed to be the solicitation of an acceptance or rejection of a plan of reorganization; any such solicitation shall be in compliance with the relevant provisions of securities laws, the Bankruptcy Code and other applicable statutes and rules.

² This Term Sheet is an exhibit to, and part of, the Restructuring Support and Forbearance Agreement (the “RSA”), which contains additional descriptive language and legal terms in respect of the Company’s restructuring.

I. Summary of Proposed Treatment³

<p>Holders of the obligations (the “First Lien Bank Obligations”) under the First Lien Credit Agreement (\$5,364 million plus interest thereon accrued through the Petition Date) and swaps entered into pursuant to the First Lien Credit Agreement (\$42 million) (collectively, the “First Lien Bank Lenders”)</p>	<p>Each First Lien Bank Lender shall receive its pro rata share of (a) [\$430 million] in cash, (b) [\$1,537 million] in New First Lien OpCo Bank Debt, (c) [\$1,946 million] in New First Lien PropCo Bank Debt, and (d) [\$1,450 million] in CPLV Debt or in additional cash generated by the sale of the CPLV Debt or other sources. Each First Lien Bank Lender waives any entitlement to post-petition interest to the extent First Lien Noteholders do not receive post-petition interest.</p>
<p>Secured claims of Holders of the obligations (the “First Lien Note Obligations”) under the First Lien Indentures (\$6,345 million plus interest thereon accrued through the Petition Date) (the “First Lien Noteholders”)</p>	<p>In the event that the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, vote as a class to accept the Plan, then each First Lien Noteholder shall receive in respect of its secured claim, prior to exercise of the Put Options (if applicable), its pro rata share of (a) [\$292 million] in cash, (b) [\$536 million] in New First Lien OpCo Bond Debt, (c) [\$431 million] in New First Lien PropCo Bond Debt, (d) [\$1,425 million] in New Second Lien PropCo Bond Debt, (e) [\$1,150 million] in additional cash generated by the sale of the CPLV Debt or other sources, (f) [57.4]% of the PropCo New Common Stock on a fully diluted basis, (g) [100]% of the OpCo New Common Stock, and (h) [100]% of the PropCo New Preferred Stock.⁴</p> <p>In the event that the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, do not vote as a class to accept the Plan, then in addition to the consideration described in the preceding paragraph, each First Lien Noteholder shall also receive, in respect of its secured claim, its pro rata share of [_____]. [Note: need to fix cram down recoveries prior to signing RSA]</p> <p>As more fully described under Put Options (and subject to the limitations set forth therein), the First Lien Noteholders will have the opportunity to be Put Participants and sell some or all of their right to receive OpCo New Common Stock, PropCo New Common Stock and/or PropCo New Preferred Stock to the Backstop Parties for cash.</p>

³ Administrative, priority and critical trade claims shall be paid in full in cash as soon as practicable following consummation of the Restructuring or as otherwise provided for in definitive documentation. Treatment of noncritical trade claims to be determined. **[NOTE: needs to be determined prior to signing RSA in a manner that is acceptable to the group]**

⁴ [NTD: Equity percentages used throughout this term sheet assumes New Preferred Stock is converted on a 1 to 1 basis. Actual conversion rate is an open issue and all equity percentages remain subject to change]

	<p>If the Put Participants fully exercise the Put Options, the First Lien Noteholders, on an aggregate basis, will receive an additional [\$1,200 million] in cash and a corresponding decrease in their equity recoveries.</p>
<p>Deficiency Claims of First Lien Noteholders and all claims of Holders of the obligations (collectively the “<i>Non-First Lien Obligations</i>”) under (a) the Second Lien Indentures (\$5,252 million plus interest thereon accrued through the Petition Date) (the “<i>Second Lien Noteholders</i>”), (b) the guaranteed unsecured indentures (\$495 million plus interest thereon accrued through the Petition Date) (the “<i>Unsecured Guaranteed Noteholders</i>”), and (c) the unsecured note indentures (\$820 million plus interest thereon accrued through the Petition Date) (the “<i>Unsecured Noteholders</i>,” collectively with the Second Lien Noteholders and Unsecured Guaranteed Noteholders, the “<i>Non-First Lien Noteholders</i>”)</p>	<p>If the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, vote as a class to accept the Plan, then First Lien Noteholders will waive distributions in respect of their deficiency claims and each Non-First Lien Noteholder shall receive its pro rata share of [28.4]% of the PropCo New Common Stock on a fully diluted basis,⁵ which includes consideration for the value of any unencumbered assets.</p> <p>If the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, do not vote as a class to accept the Plan, then each Non-First Lien Noteholder shall only receive its pro rata share of consideration in an amount equal to [what such Non-First Lien Noteholders would otherwise be entitled to if the Company were liquidated under chapter 7 of the Bankruptcy Code on the effective date of the Plan as required by Section 1129(a)(7) of the Bankruptcy Code (and subject to the First Lien Noteholders’ deficiency claims)] to be paid in PropCo New Common Stock and/or OpCo New Common Stock. [Note: Need to fix cram down recoveries prior to signing RSA]</p>

II. Put Options⁶

<p>Put Options</p>	<p>Each First Lien Noteholder shall have the option (which option shall be selected on their voting ballots) to put some or all of (i) the OpCo New Common Stock (the “<i>OpCo New Common Stock Put Options</i>”); (ii) the PropCo New Common Stock (the “<i>PropCo New Common Stock Put Options</i>”); and/or [(iii) the PropCo New Preferred Stock] (the “<i>PropCo New Preferred Stock Put Options</i>” and, together with (i) and (ii), the “<i>Put Options</i>”), it is to receive under the Plan to Caesars Entertainment Company or its designee (“<i>CEC</i>”) [and funds controlled or managed by the First Lien Noteholders listed in Annex I (CEC and such parties, the “<i>Initial Backstop Parties</i>”).] [NOTE: Noteholder backstop mechanics under discussion]</p> <p>Each First Lien Noteholder that exercises any of its Put Options in whole or in part shall be referred to herein as a “<i>Put Participant</i>.”</p>
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⁵CEOC can substitute up to [__]% of PropCo New Common Stock for up to [__]% of OpCo New Common Stock. **[Note: this needs to be fixed prior to signing RSA]**

⁶ For tax efficiency purposes, the proceeds from the Put Options may flow through the Company to the First Lien Noteholders as part of their recovery under the Plan.

Put Options Allocation Between the Backstop Parties	<p>As detailed in <u>Annex I</u>, CEC shall purchase all the OpCo New Common Stock subject to the OpCo New Common Stock Put Options exercised by the Put Participants.⁷ [Subject to the next paragraph, the Initial Backstop Parties shall purchase (a) the PropCo New Common Stock subject to the PropCo New Common Stock Put Options exercised by the Put Participants and (b) the PropCo New Preferred Stock subject to the PropCo New Preferred Stock Put Options exercised by the Put Participants.]</p> <p>[The First Lien Noteholders that are not Initial Backstop Parties may elect to become backstop parties (together with the Initial Backstop Parties, the “<i>Backstop Parties</i>”) and purchase a portion of (a) the PropCo New Preferred Stock subject to the PropCo New Preferred Stock Put Options and/or (b) the PropCo New Common Stock subject to the PropCo New Common Put Options. Such election will dilute the Initial Backstop Parties; <u>provided, however</u>, that the PropCo New Common Stock purchased by CEC pursuant to the Put Options cannot be diluted by such election below 5% of the total amount of PropCo New Common Stock issued pursuant to the Plan, on a fully diluted basis (and to the extent it otherwise would be, all other participants shall be cut back pro rata so that CEC maintains such 5% ownership). First Lien Noteholders who wish to become Backstop Parties must elect to become Backstop Parties (and specify the amount of their backstop in the aggregate and as to each class of stock subject thereto) at the time of executing the RSA.]</p> <p>[The Backstop Parties shall receive no fee for purchasing or agreeing to purchase the equity subject to the Put Participants’ Put Options.]</p> <p>[NOTE: Noteholder backstop mechanics under discussion]</p>
Put Options Price	<p>The Put Options shall be at a price per share implying a total value of \$[700] million for 100% of the OpCo New Common Stock, \$[300] million for [14.8%] of the PropCo New Common Stock on a fully diluted basis [and \$[200] million for 100% of the PropCo New Preferred Stock.]</p> <p>[NOTE: Noteholder backstop mechanics under discussion]</p>
Regulatory Requirements	<p>Any party receiving OpCo New Common Stock, PropCo New Common Stock and/or PropCo New Preferred Stock agrees to abide by, and use its best efforts to obtain, any regulatory and licensing requirements or approvals that may arise as a result of such party’s equity holdings in PropCo or OpCo, as the case may be.</p> <p>The Company and its affiliates will assist with required regulatory approvals and structuring issues, including common stock voting structures to ensure compliance with regulatory requirements. To the extent any required regulatory approvals are not obtained by the Closing of the</p>

⁷ NTD: It is assumed that the First Lien Noteholders executing the RSA will elect to put at least 50.1% of the OpCo New Common Stock to CEC.

	<p>Restructuring, the parties agree to take such actions as may be necessary or desirable to permit consummation of the Restructuring at such time, including entering into transactions to permit the Closing to occur while such regulatory approvals are pending (alternate temporary structures) or selling down their equity securities if regulatory approval is not obtained. In furtherance of the foregoing, such parties agree that to the extent such parties, or entities with which such parties' equity securities holdings would be aggregated for regulatory purposes, are to receive in excess of [9.9]% of the equity [of either PropCo or OpCo?] and regulatory approvals are not obtained by the Closing, all equity securities of such party in excess of [9.9]% [at either PropCo or OpCo, as applicable?] shall be put into escrow, or the parties shall cooperate to find an acceptable structure to allow for closing, pending the required regulatory approvals, including selling down below any regulatory thresholds.</p> <p>[NOTE: we would like a better explanation for the significance of the 9.9%]</p>
Closing	<p>The Put Options will close immediately following distribution of the equity securities under the Plan (it being understood that the exercise date for the Put Options will be set forth in the solicitation materials and shall occur on a date determined by the Company prior to the projected effective date of the Plan). [NOTE: consider whether put should be right to receive equity so that equity does not pass through creditors]</p>
Put Options Conditions Precedent	<p>The exercise of the Put Options will be subject to customary conditions precedent including:</p> <ul style="list-style-type: none"> • the Bankruptcy Court shall have entered orders (a) approving the disclosure statement in respect of the Plan, (b) authorizing and approving the RSA, and (c) confirming the Plan; • [the effective date of the Plan shall have occurred]; [NOTE: consider whether put should be right to receive equity so that equity does not pass through creditors] • all regulatory approvals, or waiting periods, shall have been received or expired; • other customary conditions precedent in form and substance satisfactory to the Company, the Backstop Parties, and the Requisite Consenting First Lien Bond Holders (as defined in the RSA, the "<i>Requisite Consenting First Lien Bond Holders</i>").

III. New Common and Preferred Stock

Common Stock	<p>The common equity securities to be issued will consist of new shares of common stock (a) of PropCo (such stock, the "<i>PropCo New Common Stock</i>") and (b) of OpCo (such stock, the "<i>OpCo New Common Stock</i>").</p>
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	The OpCo New Common Stock, if more than 30% of the OpCo New Common Stock is owned by the First Lien Noteholders and Non-First Lien Noteholders (the “ <i>Non-CEC Holders</i> ”), and PropCo New Common Stock, respectively, shall be (a) registered under US securities laws and (b) listed on a nationally recognized exchange, as of the effective date of the Plan.
PropCo New Preferred Stock	The preferred equity securities to be issued will consist of new shares of preferred stock of PropCo (such stock, the “ <i>PropCo New Preferred Stock</i> ”). The PropCo New Preferred Stock will have a [__]% coupon and will be convertible into [14.2]% of the PropCo New Common Stock, mandatory conversion at PropCo’s election starting in year 5; additional terms of the PropCo New Preferred Stock are described in <u>Annex II</u> .

IV. CEC

Cash Contribution	\$100 million to be used by the Company for general corporate purposes.
CEC Put Options Purchases	CEC or an affiliated entity shall, pursuant to the Put Options, purchase up to (a) \$[300] million of PropCo New Common Stock at a price per share implying a total value of \$[300] million for 14.8% of the PropCo New Common Stock on a fully diluted basis and (b) \$[700] million of OpCo New Common Stock at a price per share implying a total value of \$[700] million for 100% of the OpCo New Common Stock.
Domestic Acquisitions and New Building Opportunities	<p>CEC and its non-debtor subsidiaries shall give PropCo a right of first refusal to own the real estate, and have CEC or OpCo lease, all non-destination domestic (U.S.) real estate acquisitions and new building opportunities with [CES/OpCo?] retaining management rights with respect to such opportunities.</p> <p>PropCo shall give [CEC/OpCo/CES??] a right of first refusal to operate and manage all properties that PropCo acquires.</p> <p>The material terms of these rights of first refusal are described more fully on <u>Annex III</u>.</p>
CEC Lease Guaranty	<p>CEC, OpCo and PropCo will enter into a Management and Lease Support Agreement (the “<i>MLSA</i>”) pursuant to which (i) CEC, or a wholly-owned subsidiary, will manage the properties on behalf of OpCo and (ii) CEC will provide a guaranty in respect of the OpCo’s operating lease obligations, in each case while such lease (including any extensions, renewals or replacements) remains in effect. The terms of the MLSA are described more fully in the term sheet attached as <u>Annex IV</u>.</p> <p>The terms of the operating lease between OpCo and PropCo are described more fully in the term sheet attached as <u>Annex V</u>.</p>
Releases	The Plan shall provide that CEC’s participation in the Plan through its entry into the RSA and performance of the terms thereunder in facilitating the transactions contemplated by the Restructuring shall be a full and complete

	<p>settlement under Bankruptcy Rule 9019 of any claims or causes of action, known or unknown, that the Company, its estate and third parties have or could have against CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives, relating to the Company.</p> <p>As part of the settlement embodied in the Plan and the RSA, effective on the date the Restructuring is consummated, as consideration for the Cash Contribution, the CEC Put Options Purchases, the Domestic Acquisitions and New Building Opportunities, entry into the MLSA and other valuable consideration, the Company, its estate and all of the Company’s creditors shall be deemed to have released CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives (the “CEC Released Parties”) from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, at law, in equity or otherwise, relating to or based upon any act or omission relating to the Company which occurred prior to the effectiveness of the Restructuring, including a release and waiver of any obligations arising under the Guaranty and Pledge Agreement of CEC dated as of July 25, 2014. The Plan shall also include standard injunction and exculpation provisions in respect of the CEC Released Parties.</p> <p>As part of the settlement embodied in the Plan and the RSA, effective on the date the Restructuring is consummated, as consideration for their entry into the RSA and other valuable consideration, the Company and the CEC Released Parties shall be deemed to have released the Consenting Creditors (as defined in the RSA) and their respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, at law, in equity or otherwise, relating to or based upon any act or omission relating to the Company which occurred prior to the effectiveness of the Restructuring.</p>
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V. **Caesars Palace Las Vegas (“CPLV”)**

Transfer to Unrestricted Subsidiary	<p>CPLV shall be transferred to a newly formed wholly owned unrestricted subsidiary of PropCo (“CPLV Sub”) and its property shall be leased to OpCo.</p> <p>The terms of the operating lease between CPLV Sub and OpCo are described more fully in the term sheet annexed hereto as <u>Annex VI</u>.</p>
CPLV Debt	<p>CPLV Sub shall issue \$2,600 million of secured non-guaranteed debt (the “CPLV Debt”). 6 year term. Interest at LIBOR plus 2.5% with a 1% LIBOR floor and 4% total interest cap. Additional terms listed in <u>Annex</u></p>

	<u>VII.</u>
CPLV Sub and sale of CPLV Debt	CPLV Sub shall finance the CPLV Debt with third party investors for cash proceeds on or before consummation of the Restructuring (with 100% of the net proceeds being used to fund distributions to First Lien Bank Debt Lenders and First Lien Noteholders), <u>provided that</u> , up to \$1,450 million of the CPLV Debt may be distributed in respect of First Lien Bank Obligations.

VI. REIT

REIT	The Company shall restructure itself upon consummation of the Restructuring as a REIT.
PropCo Call Rights	Subject to the terms of the CERP and CGP debt documents and in no event in a manner that is dilutive of covenant compliance, PropCo shall have the right, for up to [180] days following the date the Restructuring is consummated, to enter into a binding agreement to purchase the real estate underlying Harrah’s Atlantic City and Harrah’s Laughlin for a cash purchase price equal to ten times the agreed annual rent for such properties, and on other customary terms and conditions, with the closing of such purchase(s) to occur following regulatory approvals. [NOTE: Other properties being considered to optimize REIT Portfolio] Other material terms of the PropCo call rights are set forth in <u>Annex VIII</u> .
Joint Services Agreement	[Note: Services JV modifications TBD]

VII. New Capital Structure

New First Lien OpCo Bank Debt	<p>[\$1,537] million in principal amount of first lien bank debt. <i>Pari passu</i> with New First Lien OpCo Bond Debt. 6 year term. Callable at par. Interest at LIBOR plus [4.0]% with a 1% LIBOR floor. Additional terms listed in <u>Annex IX</u>.</p> <p>Distributed to First Lien Bank Lenders.</p>
New First Lien OpCo Bond Debt	<p>[\$536 million] in principal amount of first lien notes. <i>Pari passu</i> with New First Lien OpCo Bank Debt. 6 year term. Callable at par. Interest at LIBOR plus [4.0]% with a 1% LIBOR floor. Additional terms listed in <u>Annex IX</u>.</p> <p>Distributed to First Lien Noteholders.</p>
New First Lien PropCo Bank Debt	<p>[\$1,946] million in principal amount of first lien bank debt. <i>Pari passu</i> with New First Lien PropCo Bond Debt 5 year term. [Callable at par.] Interest at LIBOR plus [3.0]% with a 1% LIBOR floor. Additional terms listed in <u>Annex X</u>.</p>

	Distributed to First Lien Bank Lenders.
New First Lien PropCo Bond Debt	<p>[\$431] million in principal amount of first lien debt. <i>Pari passu</i> with New First Lien PropCo Bank Debt. 5 year term. Callable at par. Interest at LIBOR plus [3.0]% with a 1% LIBOR floor. Additional terms listed in <u>Annex X</u>.</p> <p>Distributed to First Lien Noteholders.</p>
New Second Lien PropCo Bond Debt	<p>[\$1,425] million in principal amount of second lien debt. 6 year term. Interest [TBD]. Non-callable for 3 years. Callable after three years as follows: during the 4th year, callable at par + [1/2] Coupon; during the 5th year, callable at par + [1/4] Coupon; during the 6th year, callable at [par]. Additional terms listed in <u>Annex XI</u>.</p> <p>Distributed to First Lien Noteholders.</p>
CPLV Debt	<p>[\$2,600] million. 6 year term. Callable [at par]. Interest at LIBOR plus 2.5% with a 1% LIBOR floor and 4% total interest cap. Additional terms listed in <u>Annex VII</u>.</p> <p>To be issued by CPLV Sub to third party lenders as per CPLV section above.</p> <p>Up to \$[1,450] million distributed to the First Lien Bank Lenders, if not issued to third party lenders.</p>

VIII. Charter Documents and By-Laws of the Equity Issuers

Corporate Governance	<p>OpCo will be organized under the laws of Delaware and will have charter documents and by-laws that are acceptable to the Company, CEC and the Requisite Consenting First Lien Bond Holders.</p> <p>PropCo will be organized under the laws of Delaware and will have charter documents and by-laws that are reasonably acceptable to the Company, CEC and the Requisite Consenting First Lien Bond Holders.</p>
Board of Directors	<p>The board of directors of OpCo shall consist of (a) 3 voting members to be designated by CEC, 1 of which shall be independent and acceptable to the Requisite First Lien Bond Holders (as defined in the RSA) and (b) 1 non-voting observer to be designated by the Requisite Consenting First Lien Bond Holders, each to be identified in a plan supplement. The independent director shall be a member of all committees of the Board and the observer shall be given notice of and an opportunity to attend all committee meetings (and receive all materials given to Board members in connection with Board or committee meetings). [Note: need to provide mechanism for noteholders to appoint director(s) if noteholders end up owning more than a specific threshold of the OpCo equity]</p> <p>At Closing, the initial board of directors of PropCo shall consist of (a) [7]</p>

	<p>voting members to be designated by the Requisite Consenting First Lien Bond Holders and (b) 1 non-voting observer to be designated by CEC, each to be identified in a Plan Supplement. The observer shall be given notice of and an opportunity to attend all portions of committee meetings (and receive all materials given to Board members in connection with Board or committee meetings), except in situations where there would be a conflict of interest with CEC. At least 3 voting members must be licensed by the required regulatory authorities by closing. To the extent any of the other designated voting members are not so licensed by closing, they shall be non-voting members until so licensed.</p>
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IX. Implementation

<p>In-Court Restructuring: Use of Cash Collateral</p>	<p>In the chapter 11 cases filed by the Company to effectuate the Restructuring, the First Lien Bank Lenders and the First Lien Noteholders will support entry of a cash collateral order that will allow the Company to use cash collateral for working capital and general corporate purposes and to pay costs associated with the Company’s Restructuring on the terms, including milestones and budgeting constraints, set forth in the Cash Collateral Stipulation (as defined in the RSA).⁸</p> <p>As more fully set forth in the Cash Collateral Stipulation, in exchange for the Company’s use of cash collateral, the First Lien Noteholders and the First Lien Bank Lenders and/or their respective legal and financial advisors shall receive, among other things, the following:</p> <ul style="list-style-type: none"> • adequate protection liens • liens on proceeds of avoidance actions • payment of legal and financial advisory fees • Adequate Protection Payments at a rate equal to [__]%⁹ • receipt of quarterly budgets [in the form attached as <u>Annex XII</u>], a monthly variance report, an annual business plan and projections,
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⁸ Events of Default to include, among other things, (a) entry of an order modifying the automatic stay with respect to material assets, (b) the Company seeks to create any additional post-petition liens, (c) the Company commences, joins or assists in a proceeding against the First Lien Noteholders or First Lien Bank Lenders, (d) any modification to the Cash Collateral Order without the bank agent’s or the Requisite Consenting First Lien Bond Holders’ consent, (e) entry of a final order terminating or requiring repayment of the Adequate Protection Payments, (f) dismissal or conversion of the Company’s chapter 11 cases, (g) termination of the Company’s exclusive right to file a Plan, (h) failure to make an Adequate Protection Payment (5 business day grace period), and (i) failure to perform any other material term of the Cash Collateral Order (5 business day cure period).

⁹ Such payments shall be in consideration for any claims that the First Lien Bank Lenders and First Lien Noteholders may have for diminution in the value of their collateral occasioned by the automatic stay and the use of their collateral by the Debtors in Possession and shall not under any circumstances be deemed payments of principal.

	and such other reports and information to the extent required by the Cash Collateral Stipulation.
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X. Other

Definitive Agreements	Subject to the terms of the RSA, as soon as reasonably practicable, the parties will execute definitive documents and agreements implementing the Restructuring in form and substance consistent in all material respects with this Term Sheet and acceptable to the Consenting First Lien Bond Holders (as defined in the RSA).
Non Transfer	As set forth in the RSA and subject to its terms and certain exceptions contained therein, each Consenting Creditor and the Company Parties (as each is defined in the RSA) will agree, on behalf of itself and its affiliates, not to transfer any First Lien Bank Obligations, First Lien Note Obligations or Non-First Lien Obligations held by such party and its affiliates from the date of execution of the RSA through the consummation of the Restructuring unless such the transferee(s) agree(s) to be bound by all of the terms and conditions of the RSA and this Term Sheet.

Annex I
Backstop Parties

Party	PropCo New Common Stock	OpCo New Common Stock	PropCo New Preferred Stock	Total Amount
CEC	[\$300] million ¹⁰	[\$700] million	[\$0]	[\$1,000] million
Elliott	[\$0]	[\$0]	[\$200] million ¹¹	[\$200] million

¹⁰ Subject to dilution (not below 5% of the total amount of PropCo New Common Stock) if other First Lien Noteholders elect to become Backstop Parties.

¹¹ Subject to dilution if other First Lien Noteholders elect to become Backstop Parties.

Annex II
PropCo New Preferred Stock

[to come]

Annex III
Rights of First Refusal

[to come]

Annex IV
Management and Lease Support Agreement

[to come]

Annex V
PropCo/OpCo Operating Lease

[to come]

Annex VI
CPLV Sub/OpCo Operating Lease

[to come]

Annex VII
CPLV Debt

[to come]

Annex VIII
PropCo Call Rights

[to come]

Annex IX
New First Lien OpCo Debt

[to come]

Annex X
New First Lien PropCo Debt

[to come]

Annex XI
New Second Lien PropCo Bond Debt

[to come]

Annex XII
Form of Quarterly Budget

[to come]

SEPARATION SHEET

Annex IV
New First Lien OpCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [Caesars Entertainment Operating Company, Inc.]² (the “**Borrower**”).

Agent: [] will act as sole administrative agent and collateral agent for the Senior Facilities (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such roles.

Facilities:

(A) a senior secured term loan facility in an aggregate principal amount of \$[] (the “**Term Facility**” and loans thereunder, the “**Term Loans**”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”).

(B) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[] million (the “**Revolving Facility**” and, together with the Term Facility, the “**Senior Facilities**”), a portion of which will be available through a subfacility in the form of letters of credit.

Definitive Documentation: The definitive documentation for the Senior Facilities (the “**Senior Facilities Documentation**”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of May 8, 2014, among Caesars Growth Properties Parent, LLC, as parent, Caesars Growth Properties Holdings, LLC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent, as modified to (i) reflect the Basket Adjustments (as defined below) and (ii) reflect agency and operational matters acceptable to the Borrower and Agent (the “**Documentation Precedent**”).

Incremental Facilities: The Borrower will be permitted after the Closing Date to add additional revolving or term loan credit facilities (the “**Incremental Facilities**”) in an aggregate principal amount of up to (x) \$400.0 million plus (y) an additional principal amount of indebtedness that would not cause (1) in the case of

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

² [NTD: Assumes CEOC is the operating company in the new REIT structure.

debt incurred under the Incremental Facilities that is secured by pari passu liens on the Collateral, the pro forma First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of the Term Loans and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“**First Lien Net Leverage Ratio**”) to exceed 5.5 to 1.00 and (2) in the case of debt incurred under the Incremental Facilities that is secured by junior liens on the Collateral, the pro forma Total Secured Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that is secured by liens on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“**Total Secured Net Leverage Ratio**”) to exceed 6.5 to 1.00; *provided*, that:

- (i) the loans under such additional credit facilities shall be senior secured obligations and shall rank pari passu or junior in right of security with, and shall have the same guarantees as, the Senior Facilities; *provided*, that, if such additional credit facilities rank junior in right of security with the other Senior Facilities, (x) such additional credit facilities will be established as a separate facility from the Senior Facilities, (y) such Incremental Facilities shall be subject to a customary intercreditor agreement that is consistent with the Documentation Precedent (the “**Intercreditor Agreement**”) or another intercreditor agreement that is not materially less favorable to the Lenders than the Intercreditor Agreement (as determined in good faith by the Borrower) and (z) for the avoidance of doubt, will not be subject to clause (iv) below;
- (ii) the loans under the additional term loan facilities will mature no earlier than, and will have a weighted average life to maturity no shorter than, that of the Term Facility and all other terms of any such additional term loan facility (other than pricing, amortization or maturity) shall be substantially identical to the Term Facility or otherwise reasonably acceptable to the Agent;
- (iii) all fees and expenses owing in respect of such increase to the Agent and the Lenders shall have been paid; and
- (iv) each incremental term facility incurred prior to the date that is 12 months after the Closing Date shall be

subject to a “most favored nation” pricing provision that ensures that the initial “yield” on the incremental facility does not exceed the “yield” at such time on the Term Facility by more than 50 basis points (with “yield” being determined by the Agent taking into account the applicable margin, upfront fees, any original issue discount and any LIBOR or ABR floors, but excluding any structuring, commitment and arranger or similar fees).

Purpose: On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.

Availability: The full amount of the Term Facility will be issued on the Closing Date. Amounts under the Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates: LIBOR + 3.5% per annum, with a 1.0% LIBOR floor.

Default Rate: With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity and Amortization: The Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Facility with the balance payable on the maturity date of the Term Facility.

Guarantees: All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent

and others to be agreed upon.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “*Collateral*”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower and Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower’s and its subsidiaries’ bank accounts or securities accounts.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 18 months after (and, if so committed to be reinvested, are actually reinvested within six months after the end of such initial 18-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100%

of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the loans under the Term Facility, in each case subject to customary and other exceptions to be agreed upon, including those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed) of the Borrower and its restricted subsidiaries (stepping down to 25% if the First Lien Net Leverage Ratio is less than or equal to 4.75 to 1.00 and stepping down to 0% if the First Lien Net Leverage Ratio is less than or equal to 4.25 to 1.00) shall be used to prepay the loans under the Term Facility; *provided* that any voluntary prepayment of Loans made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the Term Facility in such order as the Borrower may direct.

Representations and Warranties:

Only the following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Only the following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain

quarterly financial statements to be delivered after the Closing Date) and an annual budget; delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions “*Guarantees*” and “*Security*”); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Only the following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event (i) a customary basket amount or “*cumulative credit*” (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt and (ii) the exceptions described below):

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt.
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates (subject to the final paragraph of this section below).
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.

10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

With respect to basket amounts, covenant thresholds and similar levels in the Senior Facilities Documentation that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the existing Caesars Entertainment Operating Company, Inc. amended and restated credit facility, in each case multiplied by 1/3 (such amounts as adjusted, the “*Basket Adjustments*”).

For covenant purposes, (i) affiliates of Apollo Global Management, LLC and TPG Global, LLC (together, the “*Sponsors*”) and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction and (ii) Caesars Entertainment Corporation, Caesars Acquisition Company, Caesars Growth Properties, LLC, Caesars Entertainment Report Properties, LLC and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction, in each case, so long as such transaction is in the ordinary course of business, pursuant to agreements existing on the Closing Date or pursuant to any management agreement or shared services agreement entered into with either the Borrower and/or its subsidiaries or, in each case, amendments, modifications or supplements thereto, or replacements thereof, that are not materially adverse to the Borrower or its subsidiaries.

Financial Covenant:

Term Facility: None.

Events of Default:

Only the following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the

Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Senior Facilities Documentation will contain provisions pursuant to which, subject to limitations consistent with the Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Senior Facilities Documentation on terms consistent with the Documentation Precedent.

Voting:

Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the Term Facility, to another Lender under the Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the

Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with

respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification: Consistent with the Documentation Precedent.

Regulatory Matters: Customary for facilities of this type and consistent with the Documentation Precedent.

Governing Law and Forum: New York.

Counsel to Agent: [].

Annex V
New First Lien PropCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

- Borrower: [REIT PropCo] (the “**Borrower**”).
- Agent: [] will act as sole administrative agent and collateral agent for the Senior Facilities (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such roles.
- Facilities:
- (B) a senior secured term loan facility in an aggregate principal amount of \$[] (the “**Term Facility**” and loans thereunder, the “**Term Loans**”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”).
 - (C) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[] million (the “**Revolving Facility**” and, together with the Term Facility, the “**Senior Facilities**”), a portion of which will be available through a subfacility in the form of letters of credit.
- Definitive Documentation: The definitive documentation for the Senior Facilities (the “**Senior Facilities Documentation**”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of May 8, 2014, among Caesars Growth Properties Parent, LLC, as parent, Caesars Growth Properties Holdings, LLC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent, as modified to (i) reflect the Basket Adjustments (as defined below) and (ii) reflect agency and operational matters acceptable to the Borrower and Agent (the “**Documentation Precedent**”).
- Incremental Facilities: The Borrower will be permitted after the Closing Date to add additional revolving or term loan credit facilities (the “**Incremental Facilities**”) in an aggregate principal amount of up to (x) \$635.0 million plus (y) an additional principal amount of indebtedness that would not cause (1) in the case of debt incurred under the Incremental Facilities that is secured

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

by pari passu liens on the Collateral, the pro forma First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of the Term Loans and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“**First Lien Net Leverage Ratio**”) to exceed 5.5 to 1.00 and (2) in the case of debt incurred under the Incremental Facilities that is secured by junior liens on the Collateral, the pro forma Total Secured Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that is secured by liens on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“**Total Secured Net Leverage Ratio**”) to exceed 8.5 to 1.00; *provided*, that:

- (i) the loans under such additional credit facilities shall be senior secured obligations and shall rank pari passu or junior in right of security with, and shall have the same guarantees as, the Senior Facilities; *provided*, that, if such additional credit facilities rank junior in right of security with the other Senior Facilities, (x) such additional credit facilities will be established as a separate facility from the Senior Facilities, (y) such Incremental Facilities shall be subject to the Intercreditor Agreement (as defined below) or another intercreditor agreement that is not materially less favorable to the Lenders than the Intercreditor Agreement (as determined in good faith by the Borrower) and (z) for the avoidance of doubt, will not be subject to clause (iv) below;
- (ii) the loans under the additional term loan facilities will mature no earlier than, and will have a weighted average life to maturity no shorter than, that of the Term Facility and all other terms of any such additional term loan facility (other than pricing, amortization or maturity) shall be substantially identical to the Term Facility or otherwise reasonably acceptable to the Agent;
- (iii) all fees and expenses owing in respect of such increase to the Agent and the Lenders shall have been paid; and
- (iv) each incremental term facility incurred prior to the date that is 12 months after the Closing Date shall be subject to a “most favored nation” pricing provision that ensures that the initial “yield” on the incremental

facility does not exceed the “yield” at such time on the Term Facility by more than 50 basis points (with “yield” being determined by the Agent taking into account the applicable margin, upfront fees, any original issue discount and any LIBOR or ABR floors, but excluding any structuring, commitment and arranger or similar fees).

Purpose: On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.

Availability: The full amount of the Term Facility will be issued on the Closing Date. Amounts under the Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates: LIBOR + [2.5]% per annum, with a 1.0% LIBOR floor.

Default Rate: With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity and Amortization: The Term Facility will mature on the date that is five (5) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Facility with the balance payable on the maturity date of the Term Facility.

Guarantees: All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent and others to be agreed upon.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “*Collateral*”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower and Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower’s and its subsidiaries’ bank accounts or securities accounts. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

The relative rights and priorities in the Collateral for each of the Senior Facilities and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Senior Facilities, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the

“Intercreditor Agreement”).

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 18 months after (and, if so committed to be reinvested, are actually reinvested within six months after the end of such initial 18-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the loans under the Term Facility, in each case subject to customary and other exceptions to be agreed upon, including those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below)) of the Borrower and its restricted subsidiaries (stepping down to 25% if the First Lien Net Leverage Ratio is less than or equal to 4.75 to 1.00 and stepping down to 0% if the First Lien Net Leverage Ratio is less than or equal to 4.25 to 1.00) shall be used to prepay the loans under the Term Facility; *provided* that any voluntary prepayment of Loans made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower’s option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on

terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and
Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the Term Facility in such order as the Borrower may direct.

Representations and
Warranties:

Only the following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Only the following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions "*Guarantees*" and "*Security*"); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Only the following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event (i) a customary basket amount or "*cumulative credit*" (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt and (ii) the exceptions described below):

13. Limitation on dispositions of assets.
14. Limitation on mergers and acquisitions.

15. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided, that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the “*Mandatory REIT Distributions*”).
16. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
17. Limitation on loans and investments.
18. Limitation on liens and further negative pledges.
19. Limitation on transactions with affiliates (subject to the final paragraph of this section below).
20. Limitation on sale/leaseback transactions.
21. Limitation on changes in the business of the Borrower and its subsidiaries.
22. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
23. Limitation on changes to fiscal year.
24. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

With respect to basket amounts, covenant thresholds and similar levels in the Senior Facilities Documentation that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the existing Caesars Entertainment Operating Company, Inc. amended and restated credit facility, in each case multiplied by 2/3 (such amounts as adjusted, the “*Basket Adjustments*”).

For covenant purposes, (i) affiliates of Apollo Global Management, LLC and TPG Global, LLC (together, the “*Sponsors*”) and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction and (ii) Caesars Entertainment Corporation, Caesars Acquisition Company, Caesars Growth Properties, LLC, Caesars Entertainment Report Properties, LLC, Caesars Entertainment Operating Company, Inc. and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction, in each case, so long as such transaction is in the ordinary course of business, pursuant to agreements existing on the Closing Date or pursuant to any management agreement or shared services agreement entered into with either the Borrower and/or its subsidiaries or, in each case, amendments, modifications or supplements thereto, or replacements thereof, that are not materially adverse to the Borrower or its subsidiaries.

Financial Covenant:

Term Facility: None.

Events of Default:

Only the following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Senior Facilities Documentation will contain provisions pursuant to which, subject to limitations consistent with the Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of

calculating the financial ratios contained in the Senior Facilities Documentation on terms consistent with the Documentation Precedent.

Voting:

Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the Term Facility, to another Lender under the Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders,

participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Consistent with the Documentation Precedent.

Regulatory Matters:

Customary for facilities of this type and consistent with the Documentation Precedent.

Governing Law and Forum:

New York.

Counsel to Agent:

[].

Annex VI
New Second Lien PropCo Debt
[\$[] Second Lien Notes
Summary of Principal Terms¹

- Issuer: [REIT PropCo], in its capacity as the issuer of the Second Lien Notes (the “**Issuer**”).
- Issue: The Second Lien Notes will be issued under an indenture that is based on and consistent with the indenture for the second-priority senior secured notes issued on April 17, 2014 by Caesars Growth Properties Holdings, LLC and Caesars Growth Properties Finance, Inc., as modified to reflect the Basket Adjustments (as defined below) (the “**Documentation Precedent**”).
- Purpose: On the Closing Date, the Second Lien Notes will be issued to each First Lien Noteholder in accordance with the Restructuring Term Sheet.
- Maturity: The Second Lien Notes will mature on the date that is six (6) years after the Closing Date.
- Interest Rate: The Second Lien Notes are anticipated to bear interest at a fixed rate equal to [7.0]%.
- Ranking: The Second Lien Notes will constitute senior second-priority secured indebtedness of the Issuer, and will rank pari passu in right of payment with all obligations under the Senior Facilities (the “**Credit Agreement**”) and all other senior indebtedness of the Issuer.
- Guarantees: The Second Lien Notes will be guaranteed by each wholly owned domestic subsidiary of the Issuer that guarantees the Credit Agreement (the “**Note Guarantors**”) on a senior second-priority secured basis (the “**Note Guarantees**”). The Note Guarantees will rank pari passu in right of payment with all obligations under the Credit Agreement and all other senior indebtedness of the Note Guarantors. The Note Guarantees will be automatically released upon release of the corresponding guarantees of the Credit Agreement; *provided* that such released guarantees shall be reinstated if such released guarantors thereof are required to subsequently guarantee the Credit Agreement.

¹ All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”), or in the New First Lien PropCo Debt Term Sheet attached thereto.

<u>Security:</u>	<p>Subject to the limitations set forth below and limitations consistent with the Documentation Precedent, the Second Lien Notes and the Note Guarantees will be secured by a second-priority (subject to permitted liens and other exceptions consistent with the Documentation Precedent) security interest in those assets of the Issuer and the Note Guarantors that secure the Credit Agreement (the “<i>Collateral</i>”), <i>provided</i> that assets securing the Second Lien Notes shall not include a pledge of equity interests or other securities or property excluded from the Collateral securing the Credit Agreement.</p> <p>The relative rights and priorities in the Collateral for each of the Credit Agreement and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Credit Agreement, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the “<i>Intercreditor Agreement</i>”).</p>
<u>Mandatory Redemption:</u>	None.
<u>Optional Redemption:</u>	The Second Lien Notes will be callable at any time at par plus accrued and unpaid interest.
<u>Offer to Purchase from Asset Sale Proceeds:</u>	The Issuer will be required to make an offer to repurchase the Second Lien Notes at par with the net cash proceeds from any non-ordinary course asset sales or dispositions by the Issuer or any Note Guarantor in accordance with the Documentation Precedent to the extent any such proceeds are not otherwise applied in a manner consistent with the Documentation Precedent.
<u>Offer to Repurchase Upon a Change of Control:</u>	The Issuer will be required to make an offer to repurchase the Second Lien Notes following the occurrence of a “ <i>change of control</i> ” (to be defined in a manner consistent with the Documentation Precedent) at a price in cash equal to 100.0% of the outstanding principal amount thereof, plus accrued and unpaid interest to the date of repurchase.
<u>Defeasance and Discharge Provisions:</u>	Customary for high yield debt securities consistent with the Documentation Precedent.
<u>Modification:</u>	Customary for high yield debt securities consistent with the Documentation Precedent.
<u>Registration Rights:</u>	None.

Covenants:

Substantially the same as those in the Documentation Precedent (including in respect of baskets and carveouts to such covenants); *provided*, that such covenants shall in no event be more restrictive than the corresponding covenant in the Credit Agreement (including, without limitation, with respect to acquisitions, dispositions and restricted payments, including Mandatory REIT Distributions). For the avoidance of doubt, there shall be no financial maintenance covenants.

1. The provisions limiting indebtedness shall, in addition to carve-outs consistent with the Documentation Precedent, provide that the amount of indebtedness incurred under the “bank basket” will not exceed an amount equal to the sum of (i) the aggregate principal amount of the Credit Agreement (including the accordion provisions thereunder), plus (ii) such additional amount of indebtedness that may be incurred that would not cause the ratio of funded debt outstanding that is secured by a first priority lien on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA (the “*Net First Lien Leverage Ratio*”) on a pro forma basis to exceed 5.75 to 1.0 on the date of incurrence;

2. The provisions limiting liens shall provide for customary permitted liens consistent with the Documentation Precedent and include (i) the ability to incur (x) first-priority liens on indebtedness to the extent that the pro forma Net First Lien Leverage Ratio is not greater than 5.75 to 1.00 and (y) pari passu liens on indebtedness so long as such liens are subject to the Intercreditor Agreement or another intercreditor agreement that is not materially less favorable to the holders than the Intercreditor Agreement; (ii) the ability to incur liens junior to the liens securing the Second Lien Notes and (iii) the ability to incur liens on assets of non-Note Guarantor subsidiaries so long as such liens secure obligations of non-Note Guarantor subsidiaries that are otherwise permitted.

3. The provisions with respect to restrictions on transactions with affiliates shall provide that Caesars Entertainment Corporation, Caesars Acquisition Company, Caesars Growth Properties, LLC, Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Operating Company, Inc. and their respective affiliates (other than the Issuer and its subsidiaries) shall not be considered affiliates of the Issuer or its Subsidiaries with respect to any transaction, so long as such transaction is in the ordinary course of business, pursuant to agreements existing on the Closing Date or pursuant to any management agreement or shared services agreement entered

into with either the Issuer and/or its subsidiaries or, in each case, amendments, modifications or supplements thereto, or replacements thereof, that are not materially adverse to the Issuer or its subsidiaries.

With respect to basket amounts, covenant thresholds and similar levels in the indenture governing the Second Lien Notes that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the indentures governing the existing Caesars Entertainment Operating Company, Inc. second lien notes, in each case multiplied by $2/3$ (such amounts as adjusted, the “*Basket Adjustments*”).

Events of Default: Customary for high yield debt securities and consistent with the Documentation Precedent.

Governing Law: New York.

Regulatory Matters: Consistent with the Documentation Precedent.

Counsel to the Notes Lead Arranger: [].

Annex VII
CPLV Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [CPLV Sub], a wholly-owned unrestricted subsidiary of REIT PropCo (the “**Borrower**”).

Agent: [] will act as sole administrative agent and collateral agent for the Term Facility (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such roles.

Facilities: A senior secured non-guaranteed term loan facility in an aggregate principal amount of \$[] (the “**Term Facility**” and loans thereunder, the “**Term Loans**”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”). In accordance with the Restructuring Term Sheet, the Borrower shall use its commercially reasonable efforts to finance all or a portion of the Term Facility with third party investors for cash proceeds on or before consummation of the Restructuring (with 100% of the net proceeds being used to repay the holders of the Term Loans) (the “**Third Party CPLV Debt**”).

Definitive Documentation: The definitive documentation for the Term Facility (the “**Term Facility Documentation**”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of May 8, 2014, among Caesars Growth Properties Parent, LLC, as parent, Caesars Growth Properties Holdings, LLC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent, as modified to reflect agency and operational matters acceptable to the Borrower and Agent (the “**Documentation Precedent**”).

Purpose: On the Closing Date, the Term Loans will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.

Availability: The full amount of the Term Facility will be issued on the Closing Date. Amounts under the Term Facility that are repaid or prepaid may not be reborrowed.

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

Interest Rates: LIBOR + 2.5% per annum, with a 1.0% LIBOR floor.

Default Rate: With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity and Amortization: The Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Facility with the balance payable on the maturity date of the Term Facility.

Guarantees: All obligations of the Borrower under the Term Facility and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent and others to be agreed upon.

Security: Subject to exceptions described below and other exceptions to be agreed upon, the Term Facility, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not

limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower and Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts. Notwithstanding the foregoing, subject to the terms of the Restructuring Term Sheet (a) if the aggregate amount of the Third Party CPLV Debt (if any) is greater than 50% of the outstanding aggregate amount of the Term Loans, then the Term Facility will rank junior in right of security to the Third Party CPLV Debt, which Third Party CPLV Debt will be secured on a first-priority basis by the Collateral and (b) if the aggregate amount of the Third Party CPLV Debt is less than or equal to 50% of the outstanding aggregate amount of the Term Loans, then the Third Party CPLV Debt shall rank pari passu in right of security with the Term Loans. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

The relative rights and priorities in the Collateral for the Term Facility and the Third Party CPLV Debt (if any) will be set forth in a customary intercreditor agreement, as between the collateral agent for the Term Facility, on the one hand, and the collateral agent for the Third Party CPLV Debt, on the other hand.

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 18 months after (and, if so committed to be reinvested, are actually reinvested within six months after the end of such initial 18-month period), a non-ordinary course asset sale or

other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Term Facility Documentation), shall be applied to prepay the loans under the Term Facility, in each case subject to customary and other exceptions to be agreed upon, including those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below) of the Borrower and its restricted subsidiaries (with step-downs to be agreed) shall be used to prepay the loans under the Term Facility; *provided* that any voluntary prepayment of Loans made during any fiscal year shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Term Facility and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the Term Facility in such order as the Borrower may direct.

Representations and Warranties:

Only the following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Only the following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain

quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions "**Guarantees**" and "**Security**"); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Only the following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event (i) a customary basket amount or "*cumulative credit*" (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt and (ii) the exceptions described below):

25. Limitation on dispositions of assets.
26. Limitation on mergers and acquisitions.
27. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the "**Mandatory REIT Distributions**").
28. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
29. Limitation on loans and investments.
30. Limitation on liens and further negative pledges.
31. Limitation on transactions with affiliates (subject to

the final paragraph of this section below).

32. Limitation on sale/leaseback transactions.
33. Limitation on changes in the business of the Borrower and its subsidiaries.
34. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
35. Limitation on changes to fiscal year.
36. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

For covenant purposes, (i) affiliates of Apollo Global Management, LLC and TPG Global, LLC (together, the “*Sponsors*”) and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction and (ii) Caesars Entertainment Corporation, Caesars Acquisition Company, Caesars Growth Properties, LLC, Caesars Entertainment Report Properties, LLC, Caesars Entertainment Operating Company, Inc., [REIT PropCo] and their respective affiliates (other than the Borrower and its subsidiaries) shall not be considered affiliates of the Borrower or its subsidiaries with respect to any transaction, in each case, so long as such transaction is in the ordinary course of business, pursuant to agreements existing on the Closing Date or pursuant to any management agreement or shared services agreement entered into with either the Borrower and/or its subsidiaries or, in each case, amendments, modifications or supplements thereto, or replacements thereof, that are not materially adverse to the Borrower or its subsidiaries.

Financial Covenant:

Term Facility: None.

Events of Default:

Only the following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and

its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Term Facility Documentation will contain provisions pursuant to which, subject to limitations consistent with the Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Term Facility Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Term Facility Documentation on terms consistent with the Documentation Precedent.

Voting:

Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the Term Facility with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the Term Facility, to another Lender under the Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or

delayed. Each assignment, in the case of the Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the

Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification: Consistent with the Documentation Precedent.

Regulatory Matters: Customary for facilities of this type and consistent with the Documentation Precedent.

Governing Law and Forum: New York.

Counsel to Agent: [].

SEPARATION SHEET

Annex IV
New First Lien OpCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [Caesars Entertainment Operating Company, Inc.]² (the “**Borrower**”).

Agent/Indenture Trustee/Collateral Agent: [] will act as sole administrative agent for the New First Lien Opco Bank Debt (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such role.

[] will act as indenture trustee for the New First Lien Opco Bond Debt (in such capacity, the “**Trustee**”) and will perform the duties customarily associated with such role.

[] will act as collateral agent for the Senior Facilities (in such capacity, the “**Collateral Agent**”) and will perform the duties customarily associated with such role.

The Agent, Trustee and Collateral Agent shall each be acceptable to the First Lien Bank Lenders and the First Lien Noteholders.

Facilities: (A) a senior secured facility in an aggregate principal amount of \$[] (the “**First Lien Term Facility**”), which will be issued to each First Lien Bank Lender and each First Lien Noteholder, in accordance with the Restructuring Term Sheet (in such capacity, collectively the “**Lenders**”), consisting of the following:

- (i) Term Loans (the “**Term Loans**”) in the aggregate principal amount of [\$1,537] million issued to each First Lien Bank Lender in accordance with the Restructuring Term Sheet (the “**New First Lien Opco Bank Debt**”); and
- (ii) Notes (the “**Notes**”) in the aggregate principal amount of [\$536] million issued to each First Lien Noteholder in accordance with the Restructuring Term Sheet (the “**New First Lien Opco Bond Debt**”).

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

² [NTD: Assumes CEOC is the operating company in the new REIT structure.

The New First Lien Opco Bank Debt and the New First Lien Opco Bond Debt are referred to collectively as the “Term Facility”.

The New First Lien Opco Bank Debt and the New First Lien Opco Bond Debt shall be pari passu in terms of payment and security.

- (B) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[___] million (the “**Revolving Facility**” and, together with the First Lien Term Facility, the “**Senior Facilities**”), [to be provided by the First Lien Bank Lenders or such other financial institutions to become Lenders under the Senior Facilities], a portion of which will be available through a subfacility in the form of letters of credit.

The relative rights in the Collateral as between the First Lien Bank Lenders and the First Lien Noteholders will be set forth in a customary intercreditor agreement as between the Agent, on the one hand, and the Trustee, on the other hand.³

Definitive Documentation:

The definitive documentation for the Senior Facilities (the “**Senior Facilities Documentation**”) shall be based on loan and security documentation usual and customary for facilities of this type, giving effect to market standards, terms and conditions appropriate for restructured credit facilities.

Purpose:

On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender and the Notes will be issued to each First Lien Noteholder, in accordance with the Restructuring Term Sheet.

Availability:

The full amount of the Term Facility will be issued on the Closing Date. Amounts under the Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates:

LIBOR + [4.0%] per annum, with a 1.0% LIBOR floor.

Default Rate:

With respect to overdue principal (whether at stated maturity, upon acceleration or otherwise), the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate

³ Consider whether intercreditor terms should be set forth in a separate annex.

applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity
and Amortization:

The Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Facility with the balance payable on the maturity date of the Term Facility.

Guarantees:

All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) be agreed upon. The Guarantees will be guarantees of payment and not of collection.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than [\$15.0 million and leaseholds,] (v) vehicles, (w) those assets as to which the Borrower, Agent, the Trustee and

Collateral Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, and (y) other exceptions to be agreed.⁴ The Borrower and Subsidiary Guarantors acknowledge and agree that the Lenders are requiring that control agreements relating to the Borrower's and its subsidiaries' bank accounts and securities accounts be entered into and delivered on the Closing Date.

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested⁵ (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount [to be agreed upon] from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the Term Loans and Notes under the Term Facility, in each case subject to customary and other exceptions to be agreed upon.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, [50%] of Excess Cash Flow (to be defined in a manner mutually acceptable to the Borrower and the Lenders and subject to a minimum threshold to be agreed) of the Borrower and its restricted subsidiaries (stepping down to [25%] if the First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of Term Loans and Notes and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans and Notes (net of unrestricted cash and cash equivalents) to adjusted EBITDA ("***First Lien Net Leverage Ratio***")) is less than or equal to [4.75 to 1.00] and stepping down to [0%] if the First

⁴ Specific Exceptions to be enumerated. TBD.

⁵ TBD – refine what constitutes “reinvestment” in the business

Lien Net Leverage Ratio is less than or equal to [4.25 to 1.00]) shall be used to prepay the Term Loans and Notes under the Term Facility; *provided* that any voluntary prepayment of Term Loans and Notes made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms to be agreed.

The above-described mandatory prepayments shall be applied to the Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied pro rata among the Term Facility and to the remaining amortization payments under the Term Facility in such order as the Borrower may direct.

Representations and Warranties:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon) including, without limitation, organization, existence, and power; qualification; authorization and

enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, and subject to customary and other baskets, exceptions and qualifications to be agreed upon) including, without limitation: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods to be agreed for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget; delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions “*Guarantees*” and “*Security*”); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, and subject to customary exceptions and qualifications and others to be agreed upon (including in any event a customary basket

amount or “*cumulative credit*” (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt), including, without limitation

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt.
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates (subject to the final paragraph of this section below).
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA to be defined in a manner mutually acceptable.

All ratios and calculations for purposes of calculating incurrence based testing shall be measured on a Pro Forma Basis (to be defined in a manner mutually acceptable, and including the annualized effect of addbacks in the definition of EBITDA).

<u>Financial Covenants:</u>	To Be Discussed. ⁶
<u>Events of Default:</u>	Usual and customary for facilities of this type (subject to customary and other thresholds and grace periods to be agreed upon and applicable to the Borrower and its restricted subsidiaries), including without limitation: nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control.
<u>Unrestricted Subsidiaries:</u>	The Senior Facilities Documentation will contain provisions pursuant to which the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Senior Facilities Documentation.
<u>Voting:</u>	Usual for facilities and transactions of this type.
<u>Cost and Yield Protection:</u>	Usual for facilities and transactions of this type.
<u>Assignments and Participations:</u> ⁷	The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); <i>provided</i> , that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the Term Facility, to another Lender under the Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent

⁶ TBD - financial covenants usual and customary in highly leveraged financings.

⁷ These provisions applicable to Bank Debt. Will need to address ability of Notes to trade.

of the Agent (subject to exceptions to be agreed) not to be unreasonably withheld or delayed. Each assignment, in the case of the Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions to be agreed.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to restrictions to be agreed.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been

disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification: Usual and customary for facilities of this type.

Regulatory Matters: Usual and customary for facilities of this type.

Governing Law and Forum: New York.

Counsels to Agent/Trustee/
Collateral Agent: [].

Annex V
New First Lien PropCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [REIT PropCo] (the “**Borrower**”).

Agent: [] will act as sole administrative agent for the New First Lien Propco Bank Debt (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such role.

[] will act as indenture trustee for the New First Lien Propco Bond Debt (in such capacity, the “**Trustee**”) and will perform the duties customarily associated with such role.

[] will act as collateral agent for the Senior Facilities (in such capacity, the “**Collateral Agent**”) and will perform the duties customarily associated with such role.

The Agent, Trustee and Collateral Agent shall each be acceptable to the First Lien Bank Lenders and the First Lien Noteholders.

Facilities: (A) a senior secured facility in an aggregate principal amount of \$[] (the “**First Lien Term Facility**”), which will be issued to each First Lien Bank Lender and each First Lien Noteholder, in accordance with the Restructuring Term Sheet (in such capacity, collectively the “**Lenders**”), consisting of the following:

- (i) Term Loans (the “**Term Loans**”) in the aggregate principal amount of [\$] million issued to each First Lien Bank Lender in accordance with the Restructuring Term Sheet (the “**New First Lien Propco Bank Debt**”); and
- (ii) Notes (the “**Notes**”) in the aggregate principal amount of [\$] million issued to each First Lien Noteholder in accordance with the Restructuring Term Sheet (the “**New First Lien Propco Bond Debt**”).

The New First Lien Propco Bank Debt and the New First Lien

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

Propco Bond Debt are referred to collectively as the “Term Facility”.

The New First Lien Propco Bank Debt and the New First Lien Propco Bond Debt shall be pari passu in terms of payment and security.

- (B) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[___] million (the “**Revolving Facility**” and, together with the First Lien Term Facility, the “**Senior Facilities**”), [to be provided by the First Lien Bank Lenders or such other financial institutions to become Lenders under the Senior Facilities] a portion of which will be available through a subfacility in the form of letters of credit.

The relative rights in the Collateral as between the First Lien Bank Lenders and the First Lien Noteholders will be set forth in a customary intercreditor agreement as between the Agent, on the one hand, and the Trustee, on the other hand.²

Definitive Documentation:

The definitive documentation for the Senior Facilities (the “**Senior Facilities Documentation**”) shall be based on loan and security documentation usual and customary for facilities of this type, giving effect to market standards, terms and conditions for restructured credit facilities.

Incremental Facilities:

The Borrower will be permitted after the Closing Date to add additional revolving or term loan credit facilities (the “**Incremental Facilities**”) in an aggregate principal amount of up to (x) \$[___] million plus (y) an additional principal amount of indebtedness that would not cause, in the case of debt incurred under the Incremental Facilities that is secured by pari passu liens on the Collateral and/or junior liens on the Collateral, the pro forma Secured Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of the Term Loans and Notes and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans and Notes and/or junior liens on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“**Secured Net Leverage Ratio**”) to exceed [___] to 1.00; *provided*, that:

² Consider whether intercreditor terms should be set forth in a separate annex.

- (i) the loans under such additional credit facilities shall be senior secured obligations and shall rank pari passu or junior in right of security with, and shall have the same guarantees as, the Senior Facilities; *provided*, that, if such additional credit facilities rank junior in right of security with the other Senior Facilities, (x) such additional credit facilities will be established as a separate facility from the Senior Facilities and pursuant to separate documentation, (y) such Incremental Facilities shall be subject to the Intercreditor Agreement (as defined below) or another intercreditor agreement that is in form and substance satisfactory to the Agent, Trustee, Collateral Agent and Lenders and (z) for the avoidance of doubt, will not be subject to clause (iv) below;
- (ii) the loans under the additional term loan facilities will mature no earlier than, and will have a weighted average life to maturity no shorter than, that of the Term Facility and all other terms of any such additional term loan facility (other than pricing, amortization or maturity) shall be substantially identical to the Term Facility or otherwise reasonably acceptable to the Agent and Trustee;
- (iii) all fees and expenses owing in respect of such increase to the Agent, Trustee, Collateral Agent and the Lenders shall have been paid; and
- (iv) each incremental term facility incurred prior to the date that is __ months after the Closing Date shall be subject to a “most favored nation” pricing provision that ensures that the initial “yield” on the incremental facility does not exceed the “yield” at such time on the Term Facility by more than 50 basis points (with “yield” being determined by the Agent taking into account the applicable margin, upfront fees, any original issue discount and any LIBOR or ABR floors, but excluding any structuring, commitment and arranger or similar fees).

Purpose:

On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender, and the Notes will be issued to each First Lien Noteholder, in accordance with the Restructuring

Term Sheet.

- Availability: The full amount of the Term Facility will be issued on the Closing Date. Amounts under the Term Facility that are repaid or prepaid may not be reborrowed.
- Interest Rates: LIBOR + [3.0]% per annum, with a 1.0% LIBOR floor.
- Default Rate: With respect to overdue principal (whether at stated maturity, upon acceleration or otherwise), the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.
- Final Maturity and Amortization: The Term Facility will mature on the date that is five (5) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Facility with the balance payable on the maturity date of the Term Facility.
- Guarantees: All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality). The Guarantees will be guarantees of payment and not of collection.
- Security: Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by

the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower, Agent, Trustee and Collateral Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract and (y) other exceptions to be agreed. The Borrower and the Subsidiary Guarantors acknowledge and agree that the Lenders are requiring that control agreements relating to the Borrower's and its subsidiaries' bank accounts and securities accounts be entered into and delivered on the Closing Date. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

The relative rights and priorities in the Collateral for each of the Senior Facilities and the Second Lien Notes will be set forth in a customary intercreditor agreement as between the collateral agent for the Senior Facilities, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand, in form and substance mutually acceptable to all parties thereto (the "***Intercreditor Agreement***").

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested³ (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100%

³ TBD – refine what constitutes “reinvestment” in the business

of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the Term Loans and Notes under the Term Facility, in each case subject to customary and other exceptions to be agreed upon.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, [50%] of Excess Cash Flow (to be defined in a manner mutually acceptable to the Borrower and the Lenders and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below)) of the Borrower and its restricted subsidiaries (stepping down to [25%] if the First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of Term Loans and Notes and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans and Notes (net of unrestricted cash and cash equivalents) to adjusted EBITDA (“**First Lien Net Leverage Ratio**”)) is less than or equal to [4.75 to 1.00] and stepping down to [0%] if the First Lien Net Leverage Ratio is less than or equal to [4.25 to 1.00]) shall be used to prepay the Term Loans and Notes under the Term Facility; *provided that* any voluntary prepayment of Term Loans and Notes made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower’s option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms to be agreed.

The above-described mandatory prepayments shall be applied to the Term Facility in direct order of maturity.

Prepayments from subsidiaries’ Excess Cash Flow and asset sale proceeds will be limited under the definitive

documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied pro rata among the Term Facility to the remaining amortization payments under the Term Facility in such order as the Borrower may direct.

Representations and Warranties:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon) including, without limitation: organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries and subject to customary and other baskets, exceptions and qualifications to be agreed upon) including, without limitation: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and

(annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods to be agreed for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions "**Guarantees**" and "**Security**"); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries and subject to customary exceptions and qualifications and others to be agreed upon (including in any event a customary basket amount or "*cumulative credit*" (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt) including without limitation:

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided, that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the "**Mandatory REIT Distributions**").

4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates (subject to the final paragraph of this section below).
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA to be defined in a manner mutually acceptable.

All ratios and calculations for purposes of calculating incurrence based testing shall be measured on a Pro Forma Basis (to be defined in a manner mutually acceptable, and including the annualized effect of addbacks in the definition of EBITDA).

Financial Covenants:

To Be Discussed.

Events of Default:

Usual and customary for facilities of this type (subject to customary and other thresholds and grace periods to be agreed upon, and applicable to the Borrower and its restricted subsidiaries) including without limitation: nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control.

Unrestricted Subsidiaries:

The Senior Facilities Documentation will contain provisions pursuant to which the Borrower will be permitted to designate

any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Senior Facilities Documentation.

Voting:

Usual for facilities and transactions of this type.

Cost and Yield Protection:

Usual for facilities and transactions of this type.

Assignments and Participations:⁴

The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the Term Facility, to another Lender under the Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions to be agreed) not to be unreasonably withheld or delayed. Each assignment, in the case of the Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of

⁴ Need to address ability of Notes to trade

the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter⁵; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to restrictions to be agreed.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Usual and customary for facilities of this type.

Regulatory Matters:

Usual and customary for facilities of this type.

Governing Law and Forum:

New York.

Counsels to
Agent/Trustee/Collateral
Agent:

[].

⁵ Discuss Trading of Notes.

Annex VI
New Second Lien PropCo Debt
[\$[] Second Lien Notes
Summary of Principal Terms¹

- Issuer: [REIT PropCo], in its capacity as the issuer of the Second Lien Notes (the “*Issuer*”).
- Issue: The Second Lien Notes will be issued under an indenture containing terms and provisions usual and customary for invoices of this type, giving effect to market standards, terms and provisions appropriate for restructured credit facilities.
- Purpose: On the Closing Date, the Second Lien Notes will be issued to each First Lien Noteholder in accordance with the Restructuring Term Sheet.
- Maturity: The Second Lien Notes will mature on the date that is six (6) years after the Closing Date.
- Interest Rate: A fixed rate equal to 2.00% over the Barclays “U.S. Corporate High Yield Index” as of the Closing Date, with a floor of 8.00% (the “*Coupon*”).
- Ranking: The Second Lien Notes will constitute senior second-priority secured indebtedness of the Issuer, and will rank pari passu in right of payment with all obligations under the Senior Facilities (the “*Credit Agreement*”) and all other senior indebtedness of the Issuer.
- Guarantees: The Second Lien Notes will be guaranteed by each wholly owned domestic subsidiary of the Issuer that guarantees the Credit Agreement (the “*Note Guarantors*”) on a senior second-priority secured basis (the “*Note Guarantees*”). The Note Guarantees will rank pari passu in right of payment with all obligations under the Credit Agreement and all other senior indebtedness of the Note Guarantors. The Note Guarantees will be automatically released upon release of the corresponding guarantees of the Credit Agreement; *provided* that such released guarantees shall be reinstated if such released guarantors thereof are required to subsequently guarantee the Credit Agreement. The Note Guarantees will be

¹ All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “*Restructuring Term Sheet*”), or in the New First Lien PropCo Debt Term Sheet attached thereto.

guarantees of payment and not of collection.

Security: Subject to the limitations set forth below and limitations to be agreed, the Second Lien Notes and the Note Guarantees will be secured by a second-priority (subject to permitted liens and other exceptions to be agreed) security interest in those assets of the Issuer and the Note Guarantors that secure the Credit Agreement (the “*Collateral*”)[, *provided* that assets securing the Second Lien Notes shall not include a pledge of equity interests or other securities or property excluded from the Collateral securing the Credit Agreement.]²

The relative rights and priorities in the Collateral for each of the Credit Agreement and the Second Lien Notes will be set forth in a customary intercreditor agreement as between the collateral agent for the Credit Agreement, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the “*Intercreditor Agreement*”).

Mandatory Redemption: None.

Optional Redemption: Non-callable during years 1-3. Thereafter callable at par + [1/2] Coupon during year 4; par + [1/4] Coupon during year 5; and par during year 6.

Offer to Purchase from Asset Sale Proceeds: The Issuer will be required to make an offer to repurchase the Second Lien Notes at par with the net cash proceeds from any non-ordinary course asset sales or dispositions by the Issuer or any Note Guarantor to the extent any such proceeds are not otherwise applied in a manner to be agreed.

Offer to Repurchase Upon a Change of Control: The Issuer will be required to make an offer to repurchase the Second Lien Notes following the occurrence of a “*change of control*” (to be defined in a manner to be agreed) at a price in cash equal to 101.0% of the outstanding principal amount thereof, plus accrued and unpaid interest to the date of repurchase.

Defeasance and Discharge Provisions: Customary for high yield debt securities of this type.

Modification: Customary for high yield debt securities of this type.

Registration Rights: None.

² Exclusion TBD.

Covenants: Usual and customary facilities of this type; *provided*, that such covenants shall in no event be more restrictive than the corresponding covenant in the Credit Agreement (including, without limitation, with respect to acquisitions, dispositions and restricted payments, including Mandatory REIT Distributions). [For the avoidance of doubt, there shall be no financial maintenance covenants.]³

1. The provisions limiting indebtedness shall, in addition to carve-outs to be agreed upon, provide that the amount of indebtedness incurred under the “bank basket” will not exceed an amount equal to the sum of (i) the aggregate principal amount of the Credit Agreement (including the accordion provisions thereunder), [plus (ii) such additional amount of indebtedness that may be incurred that would not cause the ratio of funded debt outstanding that is secured by a first priority lien on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA (the “*Net First Lien Leverage Ratio*”) on a pro forma basis to exceed [5.75 to 1.0] on the date of incurrence];

2. The provisions limiting liens shall provide for customary permitted liens to be agreed upon and include (i) the ability to incur (x) first-priority liens on indebtedness to the extent that the pro forma Net First Lien Leverage Ratio is not greater than [5.75 to 1.00] and (y) pari passu liens on indebtedness to the extent such indebtedness does not result in the pro forma [Total Leverage] Ratio to exceed _____ and so long as such liens are subject to the Intercreditor Agreement or another intercreditor agreement that is not materially less favorable to the holders than the Intercreditor Agreement; (ii) the ability to incur liens junior to the liens securing the Second Lien Notes and (iii) the ability to incur liens on assets of non-Note Guarantor subsidiaries so long as such liens secure obligations of non-Note Guarantor subsidiaries that are otherwise permitted.

Events of Default: Customary for high yield debt securities of this type.

Governing Law: New York.

Regulatory Matters: Usual and customary for high yield debt securities of this type.

Counsel to the Notes Lead Arranger: [].

³ To be Discussed.

Annex VII
CPLV Debt
[\$[] Term Facility
Summary of Principal Terms¹

- Borrower: [CPLV Sub], a wholly-owned unrestricted subsidiary of REIT PropCo (the “**Borrower**”).
- Agent: [] will act as sole administrative agent and collateral agent for the Term Facility (in such capacity, the “**Agent**”), and will perform the duties customarily associated with such roles.
- Facilities: A senior secured non-guaranteed term loan facility in an aggregate principal amount of \$[2,600 million] (the “**CPLV Term Facility**” and loans thereunder, the “**CPLV Term Loans**”), which will be issued to third party investors in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”) for cash proceeds on or before consummation of the Restructuring. Up to \$[1,450] million of the CPLV Term Facility may be distributed to the First Lien Bank Lenders if not issued to third party investors.
- Definitive Documentation: The definitive documentation for the CPLV Term Facility (the “**Term Facility Documentation**”) shall, except as otherwise set forth herein, be based on loan and security documentation usual and customary for facilities of this type.
- Purpose: On the Closing Date, the CPLV Term Loans will be borrowed by Borrower from the Lenders in accordance with the Restructuring Term Sheet.
- Availability: The full amount of the CPLV Term Facility will be issued on the Closing Date. Amounts under the CPLV Term Facility that are repaid or prepaid may not be reborrowed.
- Interest Rates: LIBOR + 2.5% per annum, with a 1.0% LIBOR floor, with the total interest rate (inclusive of margin and floor) not to exceed 4%.
- Default Rate: With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

case, shall be payable on demand.

Final Maturity
and Amortization:

The CPLV Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the CPLV Term Facility with the balance payable on the maturity date of the CPLV Term Facility.

Guarantees:

All obligations of the Borrower under the Term Facility and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) to be agreed upon. The Guarantees shall be a guarantee of payment and not of collection.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Term Facility, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower and Agent shall reasonably determine that the costs or other consequences of obtaining

such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, [(y) deposit accounts and securities accounts] and (z) other exceptions to be agreed. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation usual and customary for facilities of this type.

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the CPLV Term Facility Documentation), shall be applied to prepay the loans under the CPLV Term Facility, in each case subject to customary and other exceptions to be agreed upon.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner to be agreed and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below) of the Borrower and its restricted subsidiaries (with step-downs to be agreed) shall be used to prepay the loans under the CPLV Term Facility; *provided* that any voluntary prepayment of Loans made during any fiscal year shall be credited against excess cash

flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the CPLV Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms to be agreed.

The above-described mandatory prepayments shall be applied to the CPLV Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and
Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the CPLV Term Facility and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the CPLV Term Facility in such order as the Borrower may direct.

Representations and Warranties:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon) including, without limitation organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; closing date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, and subject to customary and other baskets, exceptions and qualifications to be agreed upon) including, without limitation, maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors

and additional collateral (subject to limitations set forth under the captions “*Guarantees*” and “*Security*”); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

Usual and customary for facilities of this type (to be applicable to the Borrower and its restricted subsidiaries, and subject to customary exceptions and qualifications and others to be agreed upon (including in any event a customary basket amount or “*cumulative credit*” (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt) including, without limitation:

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the “*Mandatory REIT Distributions*”).
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates (subject to the final paragraph of this section below).
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.

12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner to be agreed.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner to be agreed, and including the annualized effect of addbacks in the definition of EBITDA).

Financial Covenant:

CPLV Term Facility: None. TBD

Events of Default:

Usual and customary for facilities of this type (subject to customary and other thresholds and grace periods to be agreed upon and applicable to the Borrower and its restricted subsidiaries), including, without limitation: nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner to be agreed).

Unrestricted Subsidiaries:

The Term Facility Documentation will contain provisions pursuant to which, subject to limitations to be agreed, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Term Facility Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Term Facility Documentation on terms to be agreed.

Voting:

Usual for facilities and transactions of this type.

Cost and Yield Protection:

Usual for facilities and transactions of this type.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the CPLV Term Facility with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the CPLV Term Facility shall be

deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the CPLV Term Facility, to another Lender under the CPLV Term Facility or an affiliate or approved fund of a Lender under the CPLV Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions to be agreed) not to be unreasonably withheld or delayed. Each assignment, in the case of the CPLV Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to restrictions

to be agreed.

Non-Pro Rata Repurchases: The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the CPLV Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification: Usual and customary for facilities of this type.

Regulatory Matters: Usual and customary for facilities of this type.

Governing Law and Forum: New York.

Counsel to Agent: [].

SEPARATION SHEET

SUMMARY OF TERMS

Management and Lease Support Agreement (“MLSA”)¹

between CEC, Manager, Landlord and Tenant in connection with the Leases (all as hereinafter defined)

CEC:	Caesars Entertainment Corporation, a Delaware corporation
Manager:	A wholly-owned subsidiary of CEC, as manager of the Facilities under the MLSA
Landlord:	[Propco] collectively together with its subsidiaries that own the Facilities (as defined in the Leases), as landlord under the Leases
Tenant:	[Opco/CEOC] collectively together with certain of its subsidiaries, as tenant under the Leases
Leases:	(1) A certain lease of various facilities (other than Caesars Palace Las Vegas) between Landlord and Tenant and (2) a certain lease of Caesars Palace Las Vegas between Landlord and Tenant
Term:	The MLSA commences on the date the Leases commence. The MLSA automatically terminates with respect to any Facility if such Facility is no longer demised under a Lease. The Term of the MLSA expires with respect to each Lease upon the earlier to occur of (1) the date that none of the Facilities are demised under such Lease, (2) Tenant and Landlord terminate the MLSA with respect to such Lease, (3) termination in connection with a Tenant Foreclosure (pursuant to option 1 in the following paragraph) and (4) the termination of such Lease (pursuant to “Lease Termination” below).
Tenant Foreclosure:	If Tenant’s lender (or senior-most lender, if more than one) has a valid lien on the leasehold estate under the Leases or on the direct or indirect equity in the Tenant, whether by mortgage, equity pledge or otherwise, and duly forecloses on such lien following an Event of Default under Tenant’s financing, such lender shall, in connection with and as a condition to effectuating such Tenant Foreclosure, irrevocably elect one of the following: (1) with the consent of Landlord and Manager, to terminate the

¹ MLSA to consist of the two separate agreements on same terms to correspond to the two separate leases. Agreements to have same terms other than as specified herein.

	<p>MLSA and, in connection with such termination, directly operate the Facilities pursuant to the terms of the Leases, or obtain a replacement operator to operate the Facilities or (2) to retain Manager as operator of the Facilities pursuant to the terms of the MLSA and keep the MLSA in full force and effect in accordance with its terms.</p>
<p>REIT Management:</p>	<p>The MLSA shall include, inter alia, the following terms:</p> <ul style="list-style-type: none"> • Operations management provisions pursuant to which Manager will manage the Facilities in its business judgment on customary terms for affiliated management of properties currently managed by CEOC • All direct expenses for operating the Facilities will be reimbursed by Tenant (including, without limitation, fees and expenses allocated to Manager and/or Tenant for the Facilities under arrangements with Caesars Enterprise Services, LLC (“CES”)). Manager will enter into separate shared services arrangements with CES for access to its services (including without limitation use of the Total Rewards® program) for the benefit of the Facilities. • Manager may delegate duties under the MLSA to one or more affiliates and/or third parties on customary terms.
<p>CEC Guaranty:</p>	<p>Pursuant to the MLSA, CEC will guaranty all monetary obligations of Tenant under the Leases, subject to the following terms:</p> <ul style="list-style-type: none"> • CEC will have no liability with respect to the Leases unless an “Event of Default” is continuing under the Leases. • No “Event of Default” under the Leases shall exist, and CEC shall have no liability with respect to the Leases, unless (1) CEC was given notice of the applicable default of Tenant under the Leases, and (2) CEC was given an opportunity to cure such default and failed to do so within ten (10) business days (with respect to a monetary default) or thirty (30) days (with respect to a non-monetary default) after Tenant’s deadline to cure such default (or, if later, after CEC’s receipt of such notice from Landlord), as the case may be. • Any amounts expended by CEC in respect of obligations under the Leases, whether before or after an Event of Default, whether made to prevent or “cure” an Event of Default (as described in the preceding bullet point) or made after an Event of Default under the Leases in response to a demand under the MLSA, or otherwise, are

	<p>referred to herein as “CEC Payments.” CEC shall have no obligation to make CEC Payments with respect to underlying obligations that accrue in any twelve-month period (each, a “Cap Period”) in excess of \$200,000,000 in the aggregate (the “Annual Cap”)² and CEC’s obligations under the MLSA shall be limited to such potential CEC Payments.</p> <ul style="list-style-type: none"> • CEC will have no liability with respect to a Lease unless the MLSA is in full force and effect and Manager remains the operator of the Facilities subject to such Lease pursuant to the terms of the MLSA.
Lease Termination:	The MLSA shall automatically terminate with respect to a Lease upon the termination of such Lease for any reason, including without limitation in connection with a Landlord or Tenant default, foreclosure or rejection in bankruptcy by any party. All obligations of CEC and Manager under the MLSA shall automatically terminate upon such Lease termination.
Integrated Agreement:	For the avoidance of doubt, each of the provisions constituting the MLSA, including the management obligations of Manager and the guaranty obligations of CEC, are and are intended to be part of a single integrated agreement and shall not be deemed to be separate or severable agreements.

² Annual Cap with respect to the CPLV lease equal to \$100 million, and Annual Cap with respect to the non-CPLV lease equal to \$100 million.

SEPARATION SHEET

LEASE TERM SHEET

Note: It is currently anticipated that the real estate assets of the subsidiaries of a newly-formed Delaware limited partnership (“Propco”) will be leased to subsidiaries of “Opco” (defined below) pursuant to two separate leases. One lease (the “Lease”)¹ will include all “Facilities” (defined below) other than Caesars Palace Las Vegas (“CPLV”). The other lease (the “CPLV Lease”) will only include CPLV. To the extent that a term below does not differentiate between the Lease and the CPLV Lease, such term shall be included in both leases.

Landlord	<p>With respect to the Lease, all of the subsidiaries of Propco that own the “Facilities” (as defined below).</p> <p>With respect to the CPLV Lease, a subsidiary of Propco that owns CPLV (including any subsidiary thereof that owns a portion of CPLV) (“CPLV Landlord”).</p> <p>[Insert Schedule of Landlord entities]</p>
Tenant	<p>With respect to the Lease, subsidiaries of Caesars Entertainment Operating Company (“CEOC” or “Opco”) necessary for the operation of the Facilities, including license holders with respect thereto.</p> <p>With respect to the CPLV Lease, subsidiaries of CEOC necessary for the operation of CPLV, including license holders with respect thereto.</p> <p>[Insert Schedule of Tenant entities]</p>
Guaranty/ MLSA	<p>Caesars Entertainment Corporation (“CEC”), a wholly-owned subsidiary of CEOC (“Manager”), Opco and Propco will enter into a Management and Lease Support Agreement with respect to each of the Lease and the CPLV Lease (each, an “MLSA”), pursuant to which (i) Manager will manage the Facilities on behalf of Opco and (ii) CEC will provide a limited guaranty in respect of Opco’s obligations under each lease.</p> <p>The CEC limited guaranty shall provide that:</p> <p>1) CEC shall have notice and cure rights under the Lease and the CPLV Lease in the event of a default by Tenant. CEC shall have 10 business days (with respect to a monetary default) and thirty 30 days (with respect to a non-monetary default) after Tenant’s deadline to cure such default (or, if later, after CEC’s receipt of such notice from Landlord), as the case may be.</p> <p>2) CEC obligations with respect to the Lease and the CPLV Lease only exist in the event that the applicable lease remains in full force and effect and</p>

¹ TBD whether the Lease will be structured as several individual leases.

	<p>Manager remains the manager of the applicable Facilities pursuant to the terms of the applicable MLSA. If the Lease or the CPLV Lease, as applicable, is terminated for any reason, the MLSA (and CEC’s obligations thereunder) automatically terminates with respect to such lease.</p> <p>3) CEC’s maximum exposure with respect to the Lease and the CPLV Lease is capped at \$200MM per year (\$100MM allocated to the CPLV Lease and \$100MM allocated to the Lease).</p>
Leased Property ²	<p>With respect to the Lease, all of the real property interest in the facilities (the “Facilities”) described on Exhibit _____ attached hereto, including all buildings and structures located thereon.</p> <p>With respect to the CPLV Lease, all of the real property interest in CPLV, as described on Exhibit _____ attached hereto, including all buildings and structures located thereon.</p>
Term	<p>15 year initial term (the “Initial Term”).</p> <p>Four 5-year renewal terms (each, a “Renewal Term”) to be exercised at Tenant’s option.</p> <p>The Term with respect to any Leased Property shall not exceed 80% of the useful life of such Leased Property. Any Leased Property not meeting such requirement shall, at Tenant’s option, (i) be excluded from the Leased Property, in which event Rent shall be reduced by the Rent Reduction Adjustment (as defined below) with respect to such Leased Property or (ii) be subject to a shorter Term than the other Leased Property that satisfies such requirements.</p>
Rent	<p>With respect to the Lease, \$475,000,000 per Lease year for the initial year. Such amount shall be comprised of the following:</p> <ol style="list-style-type: none"> 1) \$233,000,000 Base Rent and 2) \$242,000,000 Percentage Rent. <p>With respect to the CPLV Lease, \$160,000,000 per Lease year. Such amount shall be comprised of the following:</p> <ol style="list-style-type: none"> 1) \$84,500,000 Base Rent and 2) \$75,500,000 Percentage Rent. <p>“Rent” means the sum of Base Rent and Percentage Rent.</p> <p>“Percentage Rent” means the sum set forth below in the Percentage Rent section.</p>

² 3 golf courses, undeveloped land and Blue Grass Downs will also be included in the Lease.

Base Rent	Base Rent will be subject to an annual escalator equal to the lower of 2% and the Consumer Price Index (“CPI”) increase with respect to such year, above the previous lease year’s Base Rent.
Percentage Rent	<p>With respect to the Lease, \$242,000,000 per year for the first Lease Year; provided, however, that Percentage Rent for the Facilities shall be adjusted upward or downward annually to a fixed annual amount equal to the product of (i) 16% and (ii) the excess (if any) of (a) “Net Revenue” (defined below) of the Facilities in respect of such Lease Year over (b) 50% of Net Revenue of the Facilities in respect of the prior Lease Year.</p> <p>With respect to the CPLV Lease, \$75,500,000 per year for the first Lease Year; provided, however, that Percentage Rent for CPLV shall be adjusted upward or downward annually to a fixed annual amount equal to the product of (i) 16% and (ii) the excess (if any) of (a) the Net Revenue of CPLV in respect of such Lease Year over (b) 50% of Net Revenue of CPLV in respect of the prior Lease Year.</p> <p>“Net Revenue” means: the sum of, without duplication, (i) the amount received by Tenant from patrons at any Facility for gaming, less refunds and free promotional play provided pursuant to a rewards program, and less amounts returned to patrons through winnings at any Facility; and (ii) the gross receipts of Tenant for all goods and merchandise sold, the charges for all services performed, or any other revenues generated by Tenant; less (iii) the retail value of accommodations, food and beverage, and other services furnished without charge to guests of Tenant.</p>
Rent Allocation	Rent will be allocated under section 467 of the Code and regulations thereunder on a declining basis within the 115/85 safe harbor.
Triple Net Lease	Tenant shall be responsible for the payment of real estate taxes, sales and use taxes, insurance costs and utilities.
Expenses, Maintenance, Repairs and Maintenance Capital Expenditures, Minor Alterations	<p>Tenant shall be responsible for the maintenance and repair of the Leased Premises (including capital expenditures with respect thereto); provided, however, that Landlord shall reimburse to Tenant an annual amount in respect of capital expenditures incurred by Tenant with respect to the Leased Premises of \$78.0 million per Lease Year in the aggregate (with such amount (i) increasing annually by the same percentage increase as the Base Rent increase, (ii) increasing proportionately upon the acquisition of any additional property that is owned by Landlord and leased to Tenant (or CEC’s designee) and (iii) decreasing proportionately upon any Facility ceasing to be Leased Premises pursuant to the terms of the Leases). In the event that Landlord does not reimburse Tenant for such costs within 30 days after Tenant’s request therefor, Tenant shall have the right to deduct such sums from subsequent installments of Rent.</p> <p>Tenant shall be permitted to make any alterations and improvements to the Facilities in its reasonable discretion; provided, however, that Material</p>

	Alterations (defined below) shall be governed by the provision below.
Material Alterations; Growth Capex; Development of Undeveloped Land	<p>In the event that Tenant elects to (i) materially alter a Facility, (ii) expand a Facility or (iii) develop the undeveloped land leased pursuant to the Lease and the cost of such activity described in clauses (i) through (iii) exceeds \$50,000,000 (collectively, a “Material Alteration”), Tenant shall notify Landlord of such Material Alteration. Within 10 business days of receipt of a notification of a Material Alteration, Landlord shall notify Tenant as to whether it will fund such proposed Material Alteration and, if so, the terms and conditions upon which it would do so. Tenant shall have 10 days to accept or reject Landlord’s funding proposal. If Landlord declines to fund a proposed Material Alteration, Tenant shall be permitted to secure outside financing or utilize then existing available financing.</p> <p>If Landlord agrees to fund the Material Alteration and Tenant rejects the terms thereof, Tenant shall be permitted to either use then existing available financing or seek outside financing for such Material Alteration, in each case on terms that are economically more advantageous to Tenant than offered under Landlord’s funding proposal. If Tenant constructs a Material Alteration with its then existing available financing or outside financing, (i) during the Term, such Material Alteration shall be deemed part of the Leased Property solely for the purpose of calculating Percentage Rent and shall for all other purposes be Tenant’s property and (ii) following expiration or termination of the Term, such Material Alteration shall be Tenant’s property but Landlord shall have the option to purchase such property for fair market value. If Landlord agrees to fund a proposed Material Alteration and Tenant accepts the terms thereof, such Material Alteration shall be deemed part of the Leased Property for all purposes and, prior to any advance of funds, Tenant and Landlord shall enter into the agreements necessary to effectuate the applicable terms (including, without limitation, an amendment to the Lease if the terms of such financing are structured as a Rent increase).</p>
Right of First Refusal	<p><u>Landlord Right of First Refusal:</u></p> <p>Prior to consummating a transaction whereby Landlord or any of its affiliates will own, operate or develop a domestic (U.S.) gaming facility (either existing prior to such date or to be developed), Landlord shall notify Tenant and CEC of the subject opportunity. CEC (or its designee) shall have the right to lease (and Manager manage) such facility, and if such right is exercised Landlord and CEC (or its designee) will structure such transaction in a manner that allows the subject property to be owned by Landlord and leased to CEC (or its designee). In such event, CEC (or its designee) shall enter into a lease with respect to the additional property whereby (i) rent thereunder shall be established based on formulas consistent with the EBITDAR coverage ratio with respect to the Lease then in effect (the “Allocated Rent Amount”) and (ii) such other terms that CEC (or its designee) agree upon shall be incorporated. In the event that the foregoing right is not exercised by CEC (or its designee), Landlord (or an affiliate thereof) shall have the right to consummate the subject transaction without Tenant’s and/or CEC’s involvement.</p>

	<p><u>Tenant Right of First Refusal:</u></p> <p>Prior to consummating a transaction whereby Tenant or any of its affiliates will own, operate or develop a non-destination domestic (U.S.) gaming facility (either existing prior to such date or to be developed), Tenant shall notify Landlord of the subject opportunity. Landlord shall have the right to own such facility and lease it to Tenant, and if Landlord exercises such right then Tenant and Landlord will structure such transaction in a manner that allows the subject property to be owned by Landlord and leased to Tenant (and be managed by Manager). In such event, Tenant and Landlord shall amend the Lease by (i) adding the additional property as Leased Property, (ii) increasing Rent by the Allocated Rent Amount with respect to such property and (iii) incorporating such other terms that Tenant and Landlord have agreed to. In the event that Landlord declines its right to own the facility, Tenant (or an affiliate thereof) shall have the right to consummate the subject transaction without Landlord's involvement.</p>
Permitted Use	<p>Tenant shall use the Leased Property for hotel, gaming, entertainment, conference, retail and other uses consistent with its current use, or with prevailing industry use.</p>
Landlord Sale of Properties	<p>Landlord shall not transfer any portion of the Leased Property without the prior written consent of Tenant. Notwithstanding the foregoing, Tenant's consent shall not be required for (A) any transfer in connection with a foreclosure (or deed in lieu of foreclosure) under a Landlord Financing (as per below), (B) a sale by Landlord of all of the Leased Property to a single buyer or group of buyers, (C) a merger transaction or sale by Landlord involving all of the Facilities, or (D) a sale of all the Facilities to an affiliate of Landlord or a joint venture entity in which Landlord or its affiliate is the managing member. All Landlord transactions (i) shall be subject to the terms of the Tax Protection Agreement entered into in connection with the restructuring of CEOC and (ii) shall be subject to all necessary regulatory approval.</p> <p>The Lease shall survive any such assignment or transfer by Landlord and the successor Landlord shall become a party thereto.</p>
Assignment by Tenant	<p>Tenant will not have the right to directly assign portions of the Lease, however, various assignments will be permitted, including:</p> <ol style="list-style-type: none"> 1) An assignment of the entire Lease to an entity that meets meets various thresholds (to be set forth in the Lease) relating to the ability of such entity to operate the Facilities. 2) An assignment to a permitted lender (described in further detail below) and any assignment occurring due to a foreclosure relating thereto (and an assignment from the purchaser at a foreclosure sale to a subsequent purchaser). 3) An assignment to an affiliate of Tenant, to CEC or an affiliate of CEC. 4) Any sublease of any portion of the premises, so long as Tenant is not

	<p>released from its obligations under the Lease.</p> <p>Additionally, certain transfers of direct and indirect interests in Tenant will be permitted, including:</p> <ol style="list-style-type: none"> 1) Transfers of stock in Tenant or its parent(s) on a nationally-recognized exchange. 2) Changes of control due to the reconfiguration of the Board of Directors of Tenant's parent(s). 3) Transfers of interests in Tenant that do not cause a change in control of Tenant (to be defined as any person other than a "permitted holder" obtaining a majority of the voting power in respect of the Tenant stock). <p>[Additional permitted transfers to be provided in definitive documentation]</p>
Landlord Financing	<p>Landlord may finance its interest in the Leased Property pursuant to requirements to be set forth in the Lease (including, without limitation, as contemplated by the Propco and CPLV debt term sheets); provided, however, that any Landlord financing shall be conditioned upon the execution by the applicable lender of a nondisturbance agreement in favor of Tenant. Such SNDA shall provide that the applicable lease shall survive any Landlord foreclosure or debt default and neither Tenant nor Landlord or its lenders or assignees shall have termination rights under the applicable lease in respect thereof (absent a lease Event of Default, as per below).</p>
Tenant Financing	<p>Tenant may finance (including, without limitation, pursuant to a leasehold mortgage financing) its leasehold interest in the Leased Property. The lender under such Tenant financing (i) shall be given notice of a default under the Lease and (ii) shall be afforded a right to cure any applicable Tenant default, (iii) shall, upon an early termination or rejection of the Lease, be given the opportunity to enter into a replacement lease (on terms consistent with the Lease) and (iv) shall be afforded other customary leasehold mortgagee protections.</p> <p>Such mortgagee protections shall provide that the leases shall survive any Tenant foreclosure or debt default and neither Landlord nor Tenant or its lenders or assignees shall have termination rights under the Lease in respect thereof (absent a lease Event of Default, as per below).</p>
Financial Statements of Tenant	<p>Tenant shall provide to Landlord quarterly and annual audited financial statements that are required by the REIT public reporting obligations, prepared in accordance with applicable securities law requirements, including as to format and timing, and shall consent to the inclusion of such financial statements in all public or private disclosure and offering documents of Propco and the REIT required by applicable law.</p>
Casualty/Condemnation	<p>In the event of a casualty or condemnation with respect to a Facility that (i) has a repair cost in excess of 25% of the value of the applicable Facility or (ii) with respect to a condemnation, affects 25% of the value of the</p>

	<p>applicable Facility (in each case in the good faith determination of Tenant), Tenant shall have the right at its option to (a) terminate the CPLV Lease if the affected Facility is CPLV or (b) terminate the Lease only with respect to the affected Facility if the affected Facility is leased pursuant to the Lease. If such termination under the Lease occurs, Rent under the Lease shall be reduced by the Rent Reduction Adjustment (as defined below) with respect to the applicable Facility. In such event of a termination with respect to a Facility, Landlord shall be entitled to the insurance proceeds (or condemnation proceeds, as applicable) relating to the Leased Premises and Tenant shall be entitled to the insurance proceeds (or condemnation proceeds, as applicable) relating to its property. In the event that a Facility is not excluded from the Lease due to a casualty or condemnation, Tenant shall rebuild the Facility and Rent shall abate (in accordance with the Rent Reduction Adjustment) with respect to the applicable Facility during the rebuilding period (and Tenant shall have the right to receive all insurance proceeds (or condemnation proceeds) with respect thereto for the rebuilding or restoring of the Facility). Landlord shall be entitled to the rental interruption proceeds relating to the reduced Rent under the Lease during the construction period.</p> <p>The “Rent Reduction Adjustment” with respect to a Facility shall mean (i) with respect to the Base Rent, a proportionate reduction of the Base Rent based on the EBITDAR of such Facility versus the EBITDAR of all the Facilities and (ii) with respect to Percentage Rent, a reduction of the then current dollar amount based on excluding the Net Revenue of the applicable Facility from the Percentage Rent formula on a pro forma basis.</p>
Events of Default	<p>Standard events of default including failure to pay monetary sums and failure to comply with the covenants set forth in the Lease. With respect to monetary defaults, Tenant shall be entitled to notice and a thirty (30) day cure period. With respect to non-monetary defaults, Tenant shall be entitled to notice and, so long as Tenant (i) commences to cure within 60 days after receipt of notice and (ii) continues to diligently cure the applicable default, the applicable non-monetary default shall not become an Event of Default. All cure rights pursuant to an MLSA shall be recognized by Landlord.</p> <p>A default under the Lease shall not be considered a default under the CPLV Lease. Additionally, a default under the CPLV Lease shall not be considered a default under the Lease.</p> <p>Any default by Tenant (with respect to a Tenant Financing) or Landlord (with respect to a Landlord Financing) shall not be considered a default under the leases.</p>
Remedies upon Event of Default	<p>If Landlord elects a termination remedy due to a Tenant default, the Rent under the applicable Lease shall not be accelerated. Landlord shall have the obligation to mitigate damages by using diligent efforts to relet the Leased Property for the highest rent amount available given then-current market conditions.</p>
REIT Provisions	<p>Each lease shall contain certain provisions required to satisfy REIT-related</p>

	<p>requirements applicable to Landlord, including:</p> <ul style="list-style-type: none"> -Tenant shall not sublet, assign or enter into any management arrangements pursuant to which subtenant rent would be based on net income or profits of the subtenant. -Landlord shall have the right to assign the leases to another person (e.g., a taxable REIT subsidiary) in order to maintain landlord's REIT status. -Tenant shall be obligated to provide information to Landlord necessary to verify REIT compliance.
Regulatory	<p>Landlord and Tenant shall comply with all applicable regulatory requirements. The leases shall be severable with respect to any Facility in the event necessary to comply with any applicable licensing or regulatory requirements. If a Facility is severed, Rent shall be reduced by the Rent Reduction Adjustment with respect to such Facility.</p>
Governing Law	<p>Nevada with respect to the CPLV Lease.</p> <p>New York with respect to the Lease.</p> <p>All Lease remedies shall be governed by the state in which the applicable Facility is located.</p>

SEPARATION SHEET

Certain Fundamental Terms to be Addressed in the Leases¹

This will summarize certain of the essential terms of the leases by which the real property assets of certain of the subsidiaries of the newly formed Delaware limited partnership (“**Propco**”) will be leased to subsidiaries of Caesars Entertainment Operating Company (“**CEOC**”; CEOC and all of CEOC’s subsidiaries, collectively, “**Opco**”). The leases will be comprised of: (i) a lease between Propco’s subsidiary(ies) which own the fee interest in Caesars Palace Las Vegas (“**CPLV**”), as landlord, and a CEOC subsidiary², as tenant (the “**CPLV Lease**”), and (ii) a lease between Propco’s subsidiary(ies) which own the fee interests in certain other properties, as landlord, and a CEOC subsidiary, as tenant (the “**Master Lease**”; the Master Lease and the CPLV Lease, collectively, the “**Leases**”; the landlords under each of the Leases, collectively, the “**Landlord**”; the tenants under each of the Leases, collectively, the “**Tenant**”; the facilities demised under each of the Leases, collectively, the “**Facilities**”).

- **Triple Net Lease**: The Leases will be absolute, traditional triple net leases. Tenant shall pay all Rent absolutely net to Landlord, without abatement, and unaffected by any circumstance (except as expressly provided below in the cases of casualty and condemnation). Tenant to assume complete responsibility for the condition, operation, repair, alteration and improvement of the Facilities, for compliance with all legal requirements (whether now or hereafter in effect) including, without limitation, all environmental requirements, and for payment of all costs and liabilities of any nature associated with the Facilities, including, without limitation, all impositions, taxes, insurance and utilities, and all costs and expenses relating to the use, operation, maintenance, repair, alteration and management thereof.
- **Term**: 15-year initial term with four 5-year renewal terms exercised at Tenant’s option on at least 15 months prior notice.
- **Rent**:
 - Base Rent: \$[635,000,000] for the initial Lease year (\$[475,000,000] under the Master Lease and \$[160,000,000] under the CPLV Lease), subject to an annual escalator equal to the higher of (x) 2% or (y) the increase in CPI.³

Base Rent for any renewal period following the initial 15-year term will be equal to fair market value, but in no event less than the amount otherwise payable with application of the annual escalator.

Rent to be paid in monthly installments.

¹ This summary is intended to identify certain fundamental terms which must be contained in the Leases prior to consideration of the balance of the terms of the Leases. It is not intended as an exhaustive list of all terms of the Leases.

² Tenant’s organizational structure must be (x) satisfactory to Propco and (y) compliant with any applicable CMBS financing requirements.

³ Rent allocation under Section 467 of the Code TBD.

- **Percentage Rent:** 4% of the increase (if any) in net revenues above the base year net revenue.
- **Guaranty:** The Leases will be subject to an irrevocable and unconditional Guaranty of full payment and performance of all obligations of Tenant under the Leases (including, without limitation, rent, maintenance and repair, and capital expenditure obligations) made by Caesars Entertainment Corporation (“CEC”) in favor of Landlord. The Guaranty will be a stand-alone instrument, containing customary terms and waivers of all suretyship and other defenses by CEC, with no linkage to the MLSA or any other agreement or arrangement. If any of the Leases terminates or is breached for any reason, the Guaranty will continue in effect with respect to Tenant’s liabilities to Landlord under such Lease, and, among other things, CEC shall pay and perform Tenant’s obligations. The Guaranty will include (i) no monetary or other cap on CEC liability; (ii) appropriate covenants preserving CEC’s ability to perform its obligations under the Guaranty, including, without limitation, covenants restricting dilution/transfer of CEC’s (and its subsidiaries’) assets; (iii) no “additional” cure periods for CEC in excess of Tenant’s cure periods under the Leases (but CEC will be given appropriate notice of Tenant default); and (iv) representations and warranties regarding CEC, including its ability to perform its obligations under the Guaranty.
- **Alterations/Capital Expenditures:** Landlord’s consent will be required for (i) significant alterations and any structural alterations, (ii) reduction or enlargement in size of existing structures or addition of new structures, and (iii) alterations which may otherwise result in a diminution in value to the properties (parameters to be set forth in the Leases). In all events, Tenant must expend sums for capital expenditures (in addition to sums for ordinary repair and maintenance) with respect to the Facilities in an amount equal to \$[TBD] per annum, such amount increasing annually in proportion to the annual increases in Base Rent, provided that in all events, annual capital expenditures for gaming FF&E and lodging FF&E must be an amount equal to no less than [TBD]% of the net revenue generated by the Facilities during the prior Lease Year. Tenant will provide reasonable evidence to Landlord of Tenant’s compliance with this covenant. All alterations shall be a part of the leased Facilities, and shall be the property of Landlord upon Lease expiration or earlier termination.
- **Landlord Financing:** There are no limitations on Landlord’s ability to finance or refinance its properties (“**Landlord Financing**”). Tenant will reasonably cooperate in all Landlord Financings. Tenant will operate (or cause to be operated) the Facilities in compliance with the terms of the Landlord Financing documents pertaining to the Facilities as existing as of the effective date of the Leases, including, without limitation, all covenants pertaining to maintenance of the Facilities, funding and maintaining reserves, escrows and security accounts (and complying with all related cash management requirements of the lender), procuring insurance, and providing reporting concerning the business conducted by Tenant and any CEC affiliates at the Facilities. Tenant will similarly comply with any new or additional terms of any new or modified Landlord Financing made following the effective date of the Leases, provided such new or additional terms do not (x) materially increase Tenant’s obligations under the Leases, or (y) materially diminish Tenant’s rights under the Leases. The Leases shall be subordinate to all Landlord Financing, but Landlord shall obtain

non-disturbance agreements from its lenders in a form to be reasonably agreed to by the parties.

- **Tenant Financing:** Subject to complying with any then existing Opco financing, Tenant may obtain customary leasehold mortgage financing from institutional lenders (with applicable parameters to be set forth in the Leases), with the leasehold mortgagee to be granted customary leasehold mortgagee protections, provided, that a foreclosing leasehold mortgagee or purchaser in foreclosure must either (x) engage an “acceptable operator” (satisfying parameters to be set forth in the Leases with respect to, among other things, gaming and other appropriate operational experience and qualification) or (y) assign its interest in the Lease(s) to an “acceptable operator.”
- **Landlord Transfers:** Landlord may sell (without Tenant consent) (i) the Facilities demised under the CPLV Lease, and/or (ii) all or any of the Facilities demised under the Master Lease, in any such case subject to CEC’s guaranty of the Leases (with appropriate mechanics to be set forth in the Master Lease to provide, in the case of the sale of any individual Facility(ies) demised thereunder, for the release of the sold Facility(ies) from the Master Lease, Tenant’s entry into a new Lease for the sold Facility(ies) with the new landlord on terms substantially the same as the terms contained in the Master Lease, Rent allocation as between the sold Facility(ies) and the Facilities remaining under the Master Lease, and related items).
- **Assignment/Subletting:** Assignment of either of the Leases to an affiliate of Tenant, to CEC or to an affiliate of CEC is permitted. Foreclosure by a permitted leasehold lender is permitted and in connection therewith, assignment to an “acceptable operator” is permitted. The sublease of such portions of the Facilities which are intended to be operated as individual commercial or retail spaces shall be permitted (provided, that, among other things, (i) the gaming and lodging areas and operations of the Facilities may not be subleased, (ii) all covenants with respect to provision by CEC of all applicable services/management functions continue to be satisfied, plus (iii) additional criteria TBD). All other dispositions of the Leases and any of Tenant’s interests therein or in the Facilities (including, without limitation, any transactions which, directly or indirectly, would result in a change in control of Tenant) are prohibited without Landlord’s consent. In all events, neither Tenant nor the guarantor under the Guaranty will be released in connection with any such disposition, whether permitted or restricted.
- **Landlord and Tenant Rights of First Refusal:** The terms of Tenant’s and Landlord’s rights of first refusal will be substantially as set forth in Tenant’s proposed Term Sheet circulated 11/11/14, provided, that (i) the types of properties which will be subject to such mutual rights of first refusal must be identical as to Landlord and as to Tenant (i.e., the ROFR will in each case apply solely to “non-destination domestic (U.S.) gaming facilities”), (ii) the ROFR in favor of Tenant and CEC with respect to Landlord’s (or any of its affiliates’) acquisitions shall not apply to the extent of Landlord’s (or any of its affiliates’) acquisition of an interest in property which is already subject to an existing net lease or a management or other agreement by which the property is leased to or operated or managed by a third party or in

connection with any foreclosure or workout, and (iii) the ROFR in favor of Landlord with respect to Tenant's (or any of its affiliates') acquisitions shall also apply to any acquisitions by CEC or any of CEC's affiliates.

- **Casualty**: Under all circumstances, Tenant is obligated to rebuild/restore and has no right to terminate the Lease, except that, (i) for the CPLV Lease, during the final two years of the Term, in connection with a casualty which costs in excess of [TBD]% of total property fair market value as determined by mutually acceptable architect or contractor, either Landlord or Tenant may terminate the Lease, and (ii) for the Master Lease, during final two years of the Term, in connection with a casualty for any individual Facility which costs in excess of [TBD]% of total fair market value for such individual Facility as determined by mutually acceptable architect or contractor, either Landlord or Tenant may terminate the Master Lease as to such individual Facility (in which event the Rent obligations under the Master Lease in respect of the remaining Facilities shall be proportionately adjusted, based on a mechanic to be set forth in the Leases). If the Lease is not terminated as provided above, insurance proceeds will be made available to Tenant for its use in restoration, subject to the applicable terms of Landlord's Financing documents.
- **Condemnation**: If substantially all of the CPLV Facilities under the CPLV Lease is taken, then the CPLV Lease will terminate. If substantially all of any individual Facility under the Master Lease is taken, then the Master Lease will terminate as to such individual Facility, and the Rent will be proportionately adjusted based on a mechanic to be set forth in the Leases. In any such case (when the Lease is terminated in whole or in part), the applicable award will be distributed, first to Landlord in payment of the fair market value of Landlord's interest in the applicable Facilities, then to Tenant in payment of the fair market value of the Tenant's property which was so taken, and the balance of the award if any, to Landlord. In the case of a partial condemnation, the applicable Lease will continue unabated except that Base Rent shall be adjusted in proportion to the portion of the Facility which was taken.
- **MLSA/Services**: TBD whether Landlord/Propco will be a party to any services/management arrangements. Regardless, the Leases will set forth various covenants of Tenant to ensure appropriate management/services (including, without limitation, rewards programs) will be provided to the Facilities so as to maximize performance of the Facilities, and Tenant will enter into appropriate management/services agreements with a subsidiary of CEC with respect to provision of appropriate management/services to the Facilities under the Leases.
- **Effect of a Lease Termination on Services**: If a Lease is terminated for any reason, then at Landlord's option, all business operations conducted at the applicable Facilities (including, without limitation, all assets used thereat in such operation) will be transferred to a designated successor at fair market value subject to a 2-year transition license for all intellectual property.⁴ At Landlord's option, Tenant must stay in possession and continue to operate the business in the same manner as prior practice at such Facilities during any such 2-year period while the identity of such designated successor and such fair market value are

⁴ Mechanics with respect to continued use of intellectual property following initial 2-year period to be discussed.

being determined. The Leases will set forth a mechanic for determination of such designated successor and such fair market value.

- **Landlord's Remedies**: Landlord will be entitled to all remedies for Tenant's default, as and to the extent available under applicable law.
- **Events of Default**: Customary events of default, with customary cure rights (10 days for Rent and other payment obligations, 30 days in other cases, with additional time as appropriate, subject to appropriate covenants).
- **Cross Default**: An event of default under the Master Lease will not be an event of default under the CPLV Lease, but an event of default under the CPLV Lease will be an event of default under the Master Lease.
- **Reporting**: Tenant will provide monthly, quarterly and annual reporting in form and substance reasonably satisfactory to Landlord.
- **Governing Law**: New York, except that the provisions relating to the creation of the leasehold estate and all remedies concerning recovery of possession of the leased property shall be governed by the law of the state where the Facility is located.

SEPARATION SHEET

Annex II

Terms of Series A Convertible Preferred Stock

Description: Series A Convertible Preferred Stock (the “Preferred Stock”).

Issuer: CEOC PropCo, a newly created holding company (“PropCo”).

Issue Amount: \$[] million aggregate initial liquidation preference.

Initial Liquidation Preference: \$[] per share of Preferred Stock.

Rank: The Preferred Stock shall rank (i) senior to PropCo’s common stock, (ii) pari passu with any other class of preferred stock of PropCo and (iii) subordinate to any existing or future indebtedness of PropCo.

Dividends: []% annual PIK dividend payable annually.

Liquidation Preference: In the event of any liquidation, dissolution or winding up of the affairs of PropCo, each share of Preferred Stock shall be entitled to receive the sum of (x) the initial liquidation preference per share of Preferred Stock (as adjusted for stock splits, recapitalizations and similar events) plus (y) the accreted dividends.

Mandatory Redemption: Upon the earlier to occur of (i) [] (which is a date that is [] years following the closing date) and (ii) a “Change of Control” (to be defined in a manner consistent with Caesars Entertainment Operating Company Inc.’s indenture dated as of February 15, 2013), PropCo shall redeem the Preferred Stock in whole, but not in part, and in each case, at price equal to the sum of (x) the initial liquidation preference per share of Preferred Stock (as adjusted for stock splits, recapitalizations and similar events) plus (y) the accreted dividends.

Optional Conversion: Commencing on the date that is [] years following the closing date, the holders of Preferred Stock shall have the right to convert all or any portion of the Preferred Stock at such holder’s option at any time and from time to time into a number of shares of common stock equal to (A) the sum of (x) the initial liquidation preference per share of Preferred Stock (as adjusted for stock splits, recapitalizations and similar events) plus (y) the accreted dividends divided by (B) the Conversion Price.

Mandatory Conversion: Commencing on the date that is [] years following the closing date, PropCo shall have the right at any time to cause the holders of Preferred Stock to automatically convert all of the holders’ Preferred Stock into a number of shares of common stock equal to (A) the sum of (x) the initial liquidation preference per share of Preferred Stock (as adjusted for stock splits, recapitalizations and similar events) plus (y) the accreted dividends divided by (B) the Conversion Price.

Upon a Qualified IPO (to be defined in a manner to be mutually agreed upon), all Preferred Stock will automatically convert into PropCo common stock.

Conversion Price: The Conversion Price shall initially be \$[], subject to adjustment as described below under “Anti-Dilution Protection.”

Optional Redemption: Commencing on the date that is [] years following the closing date, PropCo shall have the right to redeem the Preferred Stock in whole, but not in part at price equal to the sum of (x) the initial liquidation preference per share of Preferred Stock (as adjusted for stock splits, recapitalizations and similar events) plus (y) the accreted dividends.

Voting rights: The holders of the Preferred Stock shall be entitled to vote on an as-converted basis with the holders of PropCo's common stock on all matters submitted to a vote of the holders of common stock.

The holders of the Preferred Stock shall be entitled to a separate class vote with respect to:

(1) changes to PropCo's certificate of incorporation or bylaws adversely affecting preferences, rights, privileges or powers of any holder of the Preferred Stock; and

(2) any reclassification, merger or similar transaction in which the rights of the Preferred Stock are not preserved in full.

Anti-Dilution Protection: The Preferred Stock will have customary anti-dilution provisions including in connection with a subdivision or combination of outstanding common stock, reclassification, recapitalization, stock split, stock dividend or other distribution payable in securities of PropCo or any other person.

Registration rights: Following a Qualified IPO, the common stock of PropCo issued upon a conversion of Preferred Stock will receive the benefit of customary "piggy back" registration rights, subject to customary exceptions and limitations.

Documentation: The Preferred Stock will be issued pursuant to a certificate of designations governing the rights and preferences of the Preferred Stock (the "Certificate of Designations").

Governing Law: New York.

SEPARATION SHEET

CALL OPTION TERM SHEET

The following is a high-level summary of the proposed key terms of the Call Option Agreement to be entered into in connection with the Restructuring between CEC and Propco. Capitalized terms used herein but not defined shall have the meaning ascribed to them in the SUMMARY TERM SHEET FOR PROPOSED RESTRUCTURING to which the term sheet is annexed.

Call Option:	During the Call Period, Propco shall have the right, but not the obligation (the “ <u>Call Option</u> ”), to purchase all, but not less than all, of the Subject Property for the Call Price from CERP.
Call Period:	Propco may exercise the Call Option during the period beginning upon the consummation of the Restructuring and ending on the date that is [180] days thereafter (the “ <u>Call Period</u> ”); provided that if such 180 th day is not a business day, then the Call Period shall expire on the first business day immediately preceding such 180 th day.
Subject Properties:	The land and improvements thereto constituting the real property commonly associated with Harrah’s Atlantic City and Harrah’s Laughlin. For clarity, the Subject Properties shall not include any personalty located at such properties.
Call Price:	A cash amount equal to ten times the Annual Rent.
Representation and Warranties:	Customary for transactions of this type.
Covenants:	Customary for transactions of this type.
Closing Conditions:	Customary for transactions of this type, and including: <ul style="list-style-type: none"> • Receipt by CERP of a written opinion of an independent third party advisor that the consummation of the transactions contemplated by the Call Option is fair in accordance with the financing agreements of CERP; • Receipt by CERP of a certificate from its CFO that the transactions contemplated by the Call Option will not be dilutive of covenant compliance under CERP’s credit agreements and would otherwise not result in any default under CERP’s debt agreements; and • Receipt of any regulatory and licensing requirements or approvals that may arise as a result of the consummation of the transactions contemplated by the Call Option, including the ownership by Propco of the Subject Properties and the lease thereof.
Lease:	Upon consummation of the transactions contemplated by the Call Option, the Subject Properties shall be leased to CEC or a designee selected by CEC (which may be OpCo or CERP) at an agreed upon annual rent (such combined annual rent, the “ <u>Annual Rent</u> ”). Such lease shall be on terms substantially similar to those in the Lease Term Sheet except such lease shall not be subject to an MLSA.
Governing Law; Jurisdiction	New York; New York courts.

SEPARATION SHEET

This document and any related communications shall not be used for any purpose in any litigation or proceeding.

This Term Sheet is highly confidential and this Term Sheet, its contents and its existence may not be distributed, disclosed or discussed to or with any party other than in accordance with the express terms of confidentiality agreements/arrangements among the respective parties and the Company.

SUMMARY TERM SHEET FOR PROPOSED RESTRUCTURING¹²

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.
and certain of its direct or indirect subsidiaries
(“CEOC” and together with certain of its direct or indirect subsidiaries, the “Company”)

¹ Nothing herein shall be deemed to be the solicitation of an acceptance or rejection of a plan of reorganization; any such solicitation shall be in compliance with the relevant provisions of securities laws, the Bankruptcy Code and other applicable statutes and rules.

² This Term Sheet is an exhibit to, and part of, the Restructuring Support and Forbearance Agreement (the “RSA”), which contains additional descriptive language and legal terms in respect of the Company’s restructuring.

I. Summary of Proposed Treatment³

<p>Holders of the obligations (the “<i>First Lien Bank Obligations</i>”) under the First Lien Credit Agreement (\$5,364 million plus interest thereon accrued through the Petition Date) and swaps entered into pursuant to the First Lien Credit Agreement (\$42 million) (collectively, the “<i>First Lien Bank Lenders</i>”)</p>	<p>Each First Lien Bank Lender shall receive a recovery equal in value to 100% of the amounts outstanding under the First Lien Credit Agreement, with such recovery consisting of its pro rata share of (a) \$705 million in cash, (b) \$883 million in New First Lien OpCo Debt, (c) \$406 million⁴ of New Second Lien OpCo Debt (such amount to be reduced, and replaced, by the ratable amount of Available Cash in accordance with the provisions below), (d) \$1,961 million in New First Lien PropCo Debt, and (e) \$1,450 million in CPLV Debt, additional cash if the CPLV Debt is financed for cash or, if not fully financed, Mezzanine CPLV Debt; provided, however, that the First Lien Bank Lenders may choose to have up to \$100 million of Mezzanine CPLV Debt they are to receive converted to a corresponding amount of New First Lien OpCo Debt, New Second Lien OpCo Debt, New First Lien PropCo Debt, New Second Lien PropCo Debt or equity in PropCo. Each First Lien Bank Lender waives any entitlement to post-petition interest to the extent First Lien Noteholders do not receive post-petition interest.</p>
<p>Secured claims of Holders of the obligations (the “<i>First Lien Note Obligations</i>”) under the First Lien Indentures (\$6,345 million plus interest thereon accrued through the Petition Date) (the “<i>First Lien Noteholders</i>”)</p>	<p>Each First Lien Noteholder shall receive in respect of its secured claim, a recovery equal in value to 93.8% of the amounts outstanding under the First Lien Indentures, with such recovery, consisting of its pro rata share of (a) \$382 million in cash, (b) \$306 million in New First Lien OpCo Debt, (c) \$141 million⁵ of New Second Lien OpCo Debt (such amount to be reduced, and replaced, by the ratable amount of Available Cash in accordance with the provisions below), (d) \$431 million in New First Lien PropCo Debt, (e) \$1,425 million in New Second Lien PropCo Debt, (f) \$1,150 million in CPLV Debt, additional cash if the CPLV Debt is financed for cash or, if not fully financed, Mezzanine CPLV Debt, (g) 55.1% directly or indirectly of PropCo⁶ on a fully diluted basis,⁷ (or cash to the extent of any Equity Rights exercised and/ or such Holder exercises its Put Option, as further described</p>

³ Administrative, priority and critical trade claims shall be paid in full in cash as soon as practicable following consummation of the Restructuring or as otherwise provided for in definitive documentation. Treatment of noncritical trade claims to be determined. [NOTE: K&E determining quantum and treatment of noncritical trade claims, likely to be included with the Non-First Lien Obligations.]

⁴ Principal amount of New Second Lien OpCo Debt is net of assumed \$350 million reduction of New Second Lien OpCo Debt upon Exit to be funded by CEOC balance sheet cash or, to the extent of any shortfall, CEC (such shortfall, an “Additional CEC Contribution”).

⁵ Principal amount of New Second Lien OpCo Debt is net of assumed \$350 million reduction of New Second Lien OpCo Debt upon Exit to be funded by CEOC balance sheet cash or, to the extent of any shortfall, an Additional CEC Contribution.

⁶ Pending regulatory and REIT requirements, the First Lien Noteholders will receive their interest in PropCo indirectly through REIT New Common Stock (as opposed to directly through PropCo New LP Interests as CEC and CEOC will).

⁷ Drafted as such to remove details of what is available for Non-First Lien Noteholders.

	<p>below) and (h) 100% of the OpCo New Common Stock (or, at its option, cash in the event such Holder exercises its Put Option, as further described below).</p> <p>In the event that the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, do not vote as a class to accept the Plan, then in addition to the consideration described in the preceding paragraph, each First Lien Noteholder shall also receive, in respect of its deficiency claim, its pro rata share of the unencumbered assets.</p> <p>As more fully described under Put Options and Equity Rights (and subject to the limitations set forth therein), the First Lien Noteholders (a) will have the opportunity to be a Put Participant and sell the right to receive under the Plan some or all of their equity to the Backstop Parties for cash and/or (b) may receive cash from the Non-First Lien Noteholders for the right to receive some or all of their equity in connection with the exercise of the Equity Rights.</p> <p>If the Put Participants fully exercise the Put Options, the First Lien Noteholders, on an aggregate basis, will receive an additional [\$1,000 million] in cash and a corresponding decrease in their equity recoveries, as more fully described in Section II below under “Put Options Price.”</p>
<p>Deficiency Claims of First Lien Noteholders and all claims of Holders of the obligations (collectively the “Non-First Lien Obligations”) under (a) the Second Lien Indentures (\$5,252 million plus interest thereon accrued through the Petition Date) (the “Second Lien Noteholders”), (b) the guaranteed unsecured indentures (\$495 million plus interest thereon accrued through the Petition Date) (the “Unsecured Guaranteed Noteholders”), and (c) the unsecured note indentures (\$820 million plus interest thereon accrued through the Petition Date) (the “Unsecured Noteholders,” collectively with the Second Lien Noteholders and Unsecured Guaranteed Noteholders, the “Non-First Lien Noteholders”)</p>	<p>If the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, vote as a class to accept the Plan, then the First Lien Noteholders will waive distributions in respect of their deficiency claims and each Non-First Lien Noteholder shall receive its pro rata share of an amount of equity to be determined, directly or indirectly, in Opco or PropCo from the equity that Caesars Entertainment Company or its designee (“CEC”) is to receive, which includes consideration for the value of any unencumbered assets. And, as more fully described under the Equity Right, if the Non-First Lien Noteholders vote as a class to accept the Plan, each Non-First Lien Noteholder shall also have the option to be a Rights Participant.</p> <p>If the Non-First Lien Noteholders, and with respect to their deficiency claims, the First Lien Noteholders, do not vote as a class to accept the Plan, then each Non-First Lien Noteholder shall only receive its pro rata share of consideration in an amount equal to the value of any unencumbered assets (subject to the First Lien Noteholders’ deficiency claims) to be paid in Opco or Propco equity.</p> <p>The Plan may provide for the separate classification of Non-First Lien Noteholders in separate classes or subclasses in a manner not inconsistent with this Term Sheet.</p>

II. Put Options and Equity Rights⁸

Put Options	<p>Each First Lien Noteholder shall have the option to put some or all of its right under the Plan to receive (i) the OpCo New Common Stock it would otherwise receive pursuant to the Plan (the “<i>OpCo New Common Stock Put Options</i>”); and/ or (ii) the direct or indirect interests in PropCo it would otherwise receive pursuant to the Plan (the “<i>REIT New Common Stock Put Options</i>” and, together with OpCo New Common Stock Put Options, the “<i>Put Options</i>”), and to instead receive cash as described below under “Put Options Price,” in which case CEC and any other Backstop Parties will purchase such equity interests as further described below, subject in the case of PropCo equity interests to the exercise of the Equity Rights described below. The Put Options must be selected upon execution of the RSA in the case of any First Lien Noteholder executing the RSA.</p> <p>Each First Lien Noteholder that exercises any of its Put Options in whole or in part shall be referred to herein as a “<i>Put Participant</i>.”</p>
Put Options Allocation Between the Backstop Parties	<p>As detailed in <u>Annex I</u>, CEC shall purchase the right to receive all the OpCo New Common Stock subject to the OpCo New Common Stock Put Options and REIT New Common Stock (or PropCo New LP Interests if applicable) subject to the REIT New Common Stock Put Options exercised by the Put Participants.⁹</p> <p>The First Lien Noteholders may elect to become backstop parties (together with CEC, the “<i>Backstop Parties</i>”) and purchase a portion of the REIT New Common Stock (or PropCo New LP Interests if applicable) subject to the REIT New Common Put Options. First Lien Noteholders who wish to become Backstop Parties must make any required investor representations required for federal and state securities law purposes and, if executing the RSA, must elect to become Backstop Parties (and specify the amount of their backstop in the aggregate and as to each class of stock subject thereto) at the time of executing the RSA.</p> <p>The Backstop Parties shall receive no fee for purchasing or agreeing to purchase the equity subject to the Put Participants’ Put Options.</p>
Put Options Price	<p>The Put Options shall be at a price per share implying a total value of \$[700] million for 100% of the OpCo New Common Stock and \$[300] million for [14.8%] of PropCo (directly or indirectly) on a fully diluted basis.</p>

⁸ For tax efficiency or other purposes, (i) the cash consideration to be paid to First Lien Noteholders exercising their Put Options may flow through the Company to the First Lien Noteholders as part of their recovery under the Plan as direct payments of cash, rather than be paid in respect of the receipt of stock or be paid directly by the Backstop Parties and (ii) the First Lien Noteholders may be deemed to be selling either their right to receive the stock or the actual stock itself.

⁹ For regulatory purposes, it is assumed that the First Lien Noteholders executing the RSA will elect to put at least 50.1% of the OpCo New Common Stock to CEC.

Equity Rights	<p>If the Non-First Lien Noteholders vote as a class to accept the Plan, the “Equity Rights” as detailed below shall occur and each Non-First Lien Noteholder shall have the right to be a “Right Participant.” If the Non-First Lien Noteholders do not vote as a class to accept the Plan, there shall be no Equity Rights.</p> <p>Each Right Participant may elect to purchase (with the purchase occurring after the closing of the Put Option) the right to receive up to (a) all of the direct or indirect interest in PropCo to be received by the First Lien Noteholders and the Backstop Parties (the “Equity Rights”), subject to being cut back on a pro rata basis based on the amount of Equity Rights subscribed for. Any Non-First Lien Noteholder exercising an Equity Right must make any required investor representations required for federal and state securities law purposes and, if executing the RSA, shall elect whether to exercise its Equity Right upon execution of the RSA.</p> <p>The Right Participants must make their purchases <u>first</u> from the First Lien Noteholders (pro rata among the First Lien Noteholders), <u>second</u> from the non-CEC Backstop Parties (pro rata among the non-CEC Backstop Parties), and <u>third</u> from CEC.¹⁰</p> <p>For the avoidance of doubt, the First Lien Noteholders and the Backstop Parties, as applicable, must sell their respective right to receive equity, pursuant to the terms of the Equity Rights, to the Right Participants. The Right Participants shall receive no fee for acting as Right Participants.</p>
Equity Rights Price	The Equity Rights shall be at the same price per share as the Put Option.
Regulatory Requirements	<p>Any party receiving OpCo New Common Stock, REIT New Common Stock and/or PropCo New LP Interests agrees to abide by, and use its best efforts to obtain, any regulatory and licensing requirements or approvals that may arise as a result of such party’s equity holdings in the REIT, PropCo or OpCo, as the case may be. To ensure regulatory approvals and prompt consummation of the Restructuring, any party signing the RSA must irrevocably elect upon execution of the RSA the amount of Put Options.</p> <p>The Company and its affiliates will assist with required regulatory approvals and structuring issues, including common stock voting structures to ensure compliance with regulatory requirements. To the extent any required regulatory approvals are not obtained by the Closing of the Restructuring, the parties agree to take such actions as may be necessary or desirable to permit consummation of the Restructuring at such time, including entering into transactions to permit the Closing to occur while such regulatory approvals are pending (alternate temporary structures) or selling down their equity securities if regulatory approval is not obtained. In furtherance of the foregoing, such parties agree that to the extent such parties, or entities with which such parties’ equity securities holdings would</p>

¹⁰ NTD: If the First Lien Noteholders wish to not sell their equity, we can alter the waterfall.

	<p>be aggregated for regulatory purposes, are to receive any equity in either OpCo or PropCo (directly or indirectly) and required regulatory approvals are not obtained by the Closing, all equity securities of such party in excess of the threshold(s) where the required regulatory approval is required, as applicable, shall be put into escrow, or the parties shall cooperate to find an acceptable structure to allow for closing, pending the required regulatory approvals, including selling down below any regulatory thresholds.</p>
REIT Requirements	<p>To the extent any party would otherwise receive more than 9.8% of the outstanding REIT New Common Stock, such party shall instead receive direct PropCo New LP Interests equal to the value of such REIT New Common Stock above 9.8%.</p>
Closing	<p>The Put Options and Equity Rights will close immediately following distribution of the equity securities under the Plan (it being understood that the exercise date for the Put Options and Equity Rights will be set forth in the solicitation materials and shall occur on a date determined by the Company prior to the projected effective date of the Plan).¹¹</p>
Put Options Conditions Precedent	<p>The exercise of the Put Options and Equity Rights will be subject to customary conditions precedent including:</p> <ul style="list-style-type: none"> • the Bankruptcy Court shall have entered orders (a) approving the disclosure statement in respect of the Plan and (b) confirming the Plan; • the effective date of the Plan shall have occurred; • all regulatory approvals, or waiting periods, shall have been received or expired; • there shall have been no Material Adverse Change (to be defined in the definitive documents); and • other customary conditions precedent in form and substance satisfactory to the Company, the Backstop Parties, and the Requisite Consenting First Lien Bond Holders (as defined in the RSA).

¹¹ For tax efficiency or other purposes, (i) the cash consideration to be paid to First Lien Noteholders exercising their Put Options may flow through the Company to the First Lien Noteholders as part of their recovery under the Plan as direct payments of cash, rather than be paid in respect of the receipt of stock or be paid directly by the Backstop Parties and (ii) the First Lien Noteholders may be deemed to be selling either their right to receive the stock or the actual stock itself.

III. The REIT and Equity Securities

REIT	<p>The Company shall restructure itself upon consummation of the Restructuring as a separate operating company (“<i>OpCo</i>”), and property company (“<i>PropCo</i>”). Pursuant to the Restructuring a real estate investment trust (the “<i>REIT</i>”) will be formed to own and control the general partner of PropCo (“<i>PropCo GP</i>”) and to hold PropCo New LP Interests.</p> <p>The separation of the Company into OpCo, Propco and the REIT will be accomplished, at the election of the Company and CEC, either through a tax-free contribution of PropCo assets to the PropCo partnership in a transaction qualifying under section 721 of the Internal Revenue Code (the “<i>Code</i>”) or through the tax free contribution of PropCo assets to the REIT in a tax-free reorganization qualifying under Section 368(a)(1)(G) of the Code and in either event the distribution of the new equity and debt will be made in a manner that will not generate taxable income to the Company other than cancellation of indebtedness income. See Annex II for proposed structures following closing.</p>
Equity Securities	<p>The common equity securities to be issued will consist of new shares of common stock (a) of the REIT (such stock, the “<i>REIT New Common Stock</i>”) and (b) of OpCo (such stock, the “<i>OpCo New Common Stock</i>”).</p> <p>The Boards of Directors of CEOC, OpCo and the REIT shall each use its reasonable best efforts to have the OpCo New Common Stock, if more than 30% of the OpCo New Common Stock is owned by the First Lien Noteholders and Non-First Lien Noteholders (the “<i>Non-CEC Holders</i>”), and the REIT New Common Stock, respectively, (a) registered under US securities laws and (b) listed on a nationally recognized exchange, as soon as practicable subject to meeting applicable listing requirements following the effective date of the Plan.</p> <p>In order to meet the requirement that a REIT have at least 100 shareholders, the REIT will have the right to issue, for cash, up to \$125,000 of non-voting preferred stock (125 shares, \$1,000 liquidation preference and approximately 12% dividend).</p>
Contribution by CEOC of Properties to PropCo	<p>Depending on the structure and method used to create PropCo and the REIT, CEOC may be required to receive [at least] 5% of the PropCo New LP Interests on account of its contribution of real estate into PropCo. In such case, CEOC’s interest in PropCo on account of such contribution may not decrease below 5% (even accounting for future issuances). Any such issuance of Propco equity to CEOC will reduce the amount of CEC’s purchased interests in Propco equity by a corresponding amount.</p>

IV. CEC

Cash Contribution	\$100 million to be used by the Company for general corporate purposes.
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CEC Put Options Purchases	CEC or an affiliated entity shall, pursuant to the Put Options, purchase up to (a) \$[300] million of PropCo New LP Interests or REIT New Common Stock at a price implying a total value of \$[300] million for 14.8% of the PropCo on a fully diluted basis and (b) \$[700] million of OpCo New Common Stock at a price per share implying a total value of \$[700] million for 100% of the OpCo New Common Stock.
Domestic Acquisitions and New Building Opportunities	<p>CEC and its non-debtor subsidiaries shall give PropCo a right of first refusal to own the real estate, and have CEC or OpCo lease, all non-Las Vegas domestic (U.S.) real estate acquisitions and new building opportunities with CEC retaining management rights with respect to such opportunities.</p> <p>PropCo shall give CEC a right of first refusal to operate and manage all non-Las Vegas properties that PropCo acquires.</p> <p>The material terms of these rights of first refusal are described (along with the lease terms) more fully on <u>Annex III</u>.</p>
CEC Lease Guaranty	<p>CEC, OpCo and PropCo will enter into a Management and Lease Support Agreement (the “<i>MLSA</i>”) pursuant to which (i) CEC, or a wholly-owned subsidiary, will manage the properties on behalf of OpCo and (ii) CEC will provide a guaranty in respect of the OpCo’s operating lease obligations, in each case while such lease (including any extensions, renewals or replacements) remains in effect. The terms of the MLSA are described more fully in the term sheet attached as <u>Annex IV</u>.</p> <p>The terms of the operating lease between OpCo and PropCo are described more fully in the term sheet attached as <u>Annex III</u>.</p>
Releases	<p>The Plan shall provide that CEC’s participation in the Plan through its entry into the RSA and performance of the terms thereunder in facilitating the transactions contemplated by the Restructuring shall be a full and complete settlement under Bankruptcy Rule 9019 of any claims or causes of action, known or unknown, that the Company, its estate and third parties have or could have against CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives (each of the foregoing in their capacity as such) relating to the Company, other than claims under the RSA.</p> <p>As part of the settlement embodied in the Plan and the RSA, effective on the date the Restructuring is consummated, as consideration for the Cash Contribution, the CEC Put Options Purchases, the Domestic Acquisitions and New Building Opportunities, entry into the MLSA and other valuable consideration, the Company, its estate and all of the Company’s creditors shall be deemed to have released CEC and its respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives (each of the foregoing in their capacities as such, the “<i>CEC Released Parties</i>”) from any and all claims, obligations, suits, judgments, damages, rights, causes of action and</p>

	<p>liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, at law, in equity or otherwise, relating to or based upon any act or omission relating to the Company which occurred prior to the effectiveness of the Restructuring (other than claims under the RSA), including a release and waiver of any obligations arising under the Guaranty and Pledge Agreement of CEC dated as of July 25, 2014. The Plan shall also include standard injunction and exculpation provisions in respect of the CEC Released Parties.</p> <p>As part of the settlement embodied in the Plan and the RSA, effective on the date the Restructuring is consummated, as consideration for their entry into the RSA and other valuable consideration, the Company and the CEC Released Parties shall be deemed to have released the Consenting Creditors (as defined in the RSA) and their respective direct and indirect sponsors, shareholders, affiliates, officers, directors, employees, managers, attorneys, professionals, advisors and representatives (each of the foregoing in their capacity as such) from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, at law, in equity or otherwise, relating to or based upon any act or omission relating to the Company which occurred prior to the effectiveness of the Restructuring.</p>
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V. Caesars Palace Las Vegas (“CPLV”)

Transfer to Unrestricted Subsidiary	<p>CPLV shall be transferred to a newly formed wholly owned unrestricted subsidiary of PropCo (“CPLV Sub”) and its property shall be leased to OpCo.</p> <p>The terms of the operating lease between CPLV Sub and OpCo are described more fully in the term sheet annexed hereto as <u>Annex III</u>.</p>
Issuance of CPLV Market Debt	<p>CPLV Sub shall use its commercially reasonable efforts to finance \$2,600 million of CPLV Debt with third party investors for cash proceeds (the “CPLV Market Debt”) on or before consummation of the Restructuring (with 100% of the net proceeds being used to increase the cash payments to the holders of the CPLV Debt). If \$2,000 million or more but less than \$2,600 million of CPLV Market Debt is issued, the remainder will be issued to the First Lien Bank Lenders and the First Lien Noteholders in the form of CPLV Mezzanine Debt. The principal amount of CPLV Market Debt and CPLV Mezzanine Debt shall collectively total \$2,600 million.</p> <p>The weighted average yield on the CPLV Market Debt and CPLV Mezzanine Debt will be capped at 5%.</p>
CPLV Debt	<p>If \$2,000 million of CPLV Market Debt cannot be issued to the market on the terms contemplated herein, then no CPLV Market Debt will be issued and CPLV Sub shall issue \$2,600 million of secured non-guaranteed debt (the “CPLV Debt”) to the First Lien Bank Lenders and First Lien Noteholders. 6 year term. Interest at LIBOR plus 3.5% with a 1% LIBOR</p>

	floor. Additional terms listed in <u>Annex V</u> .
CPLV Mezzanine Debt	<p>If CPLV Market Debt is issued in an amount greater than \$2,000 million, but less than \$2,600 million, then CPLV Holding shall issue secured non-guaranteed debt (the “<i>CPLV Mezzanine Debt</i>”) in an amount of the difference to the First Lien Bank Lenders and the First Lien Noteholders. 6 year term. Interest at 8% (if \$600 million of CPLV Mezzanine Debt issued) and increasing by 0.25% for every \$25 million reduction in the principal amount of CPLV Mezzanine Debt issued below \$600 million. Additional terms listed in <u>Annex VI</u>.</p> <p>“<i>CPLV Holding</i>” will be a newly formed holding company that owns 100% of CPLV Sub.</p>
Receipt of CPLV Mezzanine Debt	<p>If CPLV Mezzanine Debt is issued, then it shall be distributed as follows:</p> <ul style="list-style-type: none"> • The first \$300 million of CPLV Mezzanine Debt shall be distributed 1/3 to the First Lien Bank Lenders and 2/3 to the First Lien Noteholders; and • Any CPLV Mezzanine Debt over \$300 million shall be distributed 1/2 to the First Lien Bank Lenders and 1/2 to the First Lien Noteholders. <p>The \$2,600 million aggregate total amount of cash proceeds from the CPLV Market Debt and the principal amount of CPLV Mezzanine Debt will be allocated as follows:</p> <ul style="list-style-type: none"> • \$1,450 for First Lien Bank Holders and • \$1,150 for First Lien Bondholders, <p>with the amount of CPLV Mezzanine Debt to be issued to each in accordance with the above formula.</p>

VI. New Capital Structure¹²

New First Lien OpCo Debt	<p>Up to \$1,188 million in principal amount of first lien debt. 6 year term. Non-call year 1, thereafter callable at 103/102/101/par for the next three years respectively. Interest at LIBOR plus 4.00%, with a 1% LIBOR floor; provided that if the principal amount of the New Second Lien OpCo Debt on the Exit Date is less than \$497 million (after giving effect to the application of the Available Cash), the interest rate will be LIBOR plus 4.50%, with a 1% LIBOR floor. Additional terms listed in <u>Annex VII</u>.</p>
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¹² All amounts subject to the ability of the First Lien Bank Lenders to convert \$100 million of CPLV Mezzanine Debt to New First Lien OpCo Debt, New Second Lien OpCo Debt, New First Lien PropCo Debt, New Second Lien PropCo Debt or equity in PropCo.

	<p>\$883 million distributed to First Lien Bank Lenders and \$306 million distributed to First Lien Noteholders, subject to adjustment as set forth herein.</p> <p>OpCo will use its commercially reasonable efforts to syndicate the New First Lien OpCo Debt to the market and, to the extent so syndicated, the cash proceeds will be used to increase the cash payments to the First Lien Bank Lenders and First Lien Noteholders, ratably based on the amount of New First Lien OpCo Debt otherwise to be issued to them. The New First Lien OpCo Debt will be marketed at an interest rate less than or equal to the rates contemplated above.</p>
New Second Lien OpCo Debt	<p>Up to \$547 million in principal amount of second lien debt (as reduced by Available Cash). 7 year term. Non-call year 1, thereafter callable at 103/102/101/par for the next three years respectively. Interest at 8.5%. Additional terms listed in <u>Annex VIII</u>.</p> <p>\$406 million distributed to First Lien Bank Lenders and \$141 million distributed to First Lien Noteholders, subject to adjustment as set forth herein.</p>
New First Lien PropCo Debt	<p>\$2,392 million in principal amount of first lien debt. 5 year term. Non-call year 1, thereafter callable at 103/102/101/par for the next three years respectively. Interest at LIBOR plus 3.5% with a 1% LIBOR floor. Additional terms listed in <u>Annex IX</u>.</p> <p>\$1,961 million distributed to the First Lien Bank Lenders and \$431 million distributed to First Lien Noteholders, subject to adjustment as set forth herein.</p>
New Second Lien PropCo Debt	<p>\$1,425 million in principal amount of second lien debt. 6 year term. Customary NC3, with step-downs thereafter. Interest 7.0%. Additional terms listed in <u>Annex X</u>.</p> <p>Distributed to First Lien Noteholders, subject to adjustment as set forth herein.</p>

VII. Charter Documents and By-Laws of the Equity Issuers

Corporate Governance	<p>CEOC, a Delaware corporation will become OpCo and will have charter documents and by-laws that are acceptable to CEC and the Requisite Consenting First Lien Bond Holders.</p> <p>PropCo will be a limited partnership organized under the laws of Delaware and will have a limited partnership agreement that is customary for an UPREIT structure and reasonably acceptable to CEOC, CEC and the Requisite Consenting First Lien Bond Holders.</p> <p>PropCo GP will be a limited liability company organized under the laws of Delaware and will have an operating agreement that is reasonably</p>
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	<p>acceptable to CEOC, CEC and the Requisite Consenting First Lien Bond Holders.</p> <p>The REIT will be a corporation organized under the laws of Maryland and will have charter documents and by-laws that are reasonably acceptable to CEOC, CEC and the Requisite Consenting First Lien Bond Holders.</p>
OpCo Board of Directors	<p>If CEC owns 90% or more of the OpCo New Common Stock, then the board of directors of OpCo shall consist of 3 voting members to be designated by CEC, each to be identified in a plan supplement.</p> <p>If CEC owns less than 90% of the OpCo New Common Stock, then the board of directors of OpCo shall consist of 3 voting members, 2 designated by CEC and 1 designed by the Requisite Consenting First Lien Bond Holders, each to be identified in a plan supplement.</p>
REIT Board of Directors	<p>If CEC owns less than 10% of PropCo (directly or indirectly), then the board of directors of the REIT shall consist of 7 voting members to be designated by the Requisite Consenting First Lien Bond Holders, each to be identified in a Plan Supplement.</p> <p>If CEC owns 10% or more of PropCo (directly or indirectly), then the board of directors of the REIT shall consist of 7 voting members, 6 to be designated by the Requisite Consenting First Lien Bond Holders and 1 designated by CEC, each to be identified in a Plan Supplement.</p> <p>At least 3 voting members must be licensed by the required regulatory authorities by closing. If there are not at closing at least 3 voting members licensed, then to assist with closing up to 2 of the independent members of CEOC shall be designated to the REIT board so that there will be 3 voting members at closing, with such members being removed as the non-voting members are licensed. Until such time as the CEOC independents and members designated by CEC are a minority of the board, the REIT shall be prohibited from taking major transactions without shareholder approval. To the extent any of members are not so licensed by closing, they shall be non-voting members until so licensed.</p>
PropCo	PropCo will be controlled by its PropCo GP, whose sole shareholder will be the REIT.

VIII. Implementation

In-Court Restructuring: Use of Cash Collateral	<p>In the chapter 11 cases filed by the Company to effectuate the Restructuring, the First Lien Bank Lenders and the First Lien Noteholders will support entry of a cash collateral order that will allow the Company to use cash collateral for working capital and general corporate purposes and to pay costs associated with the Company's Restructuring. The cash collateral arrangements shall allow such use of cash, without significant case-related milestones or budgeting constraints, for the earlier of 18 months and an event of default under such cash collateral order on the terms</p>
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	<p>set forth in the Cash Collateral Stipulation (as defined in the RSA).¹³</p> <p>As more fully set forth in the Cash Collateral Stipulation, in exchange for the Company’s use of cash collateral, the First Lien Noteholders and the First Lien Bank Lenders and/or their respective legal and financial advisors shall receive, among other things, the following:</p> <ul style="list-style-type: none"> • adequate protection liens • liens on proceeds of avoidance actions • payment of legal and financial advisory fees • Adequate Protection Payments at a rate equal to LIBOR plus [1.5]%¹⁴ • receipt of quarterly budgets [in the form attached as <u>Annex XI</u>], a monthly variance report, an annual business plan and projections, and such other reports and information to the extent required by the Cash Collateral Stipulation.
Additional CEC Contribution	<p>If CEC makes any Additional CEC Contribution to fund any shortfall of the \$350 million reduction in the New Second Lien Opco Debt, then such contribution will impact the pro forma equity account of CEOC/Opco accordingly</p>
Available Cash	<p>100% of Available Cash shall be used to decrease the principal amount of New OpCo Second Lien Debt below the \$547 million in the aggregate contemplated to be issued and correspondingly increase the amount of cash that the First Lien Bank Lenders and First Lien Noteholders receive (on a ratable basis, based on ownership of New OpCo Second Lien Debt).</p> <p>“Available Cash” means (i) the pro forma amount of CEOC balance sheet cash available after giving effect to the Exit, the consummation of the Plan, all debt reductions and repayments, the payment of all fees, expenses and related uses of cash on the Exit Date in accordance with the plan over (ii) \$400 million of minimum required CEOC liquidity. For the avoidance of</p>

¹³ Events of Default to include, among other things, (a) entry of an order modifying the automatic stay with respect to material assets, (b) the Company seeks to create any additional post-petition liens, (c) the Company commences, joins or assists in a proceeding against the First Lien Noteholders or First Lien Bank Lenders, (d) any modification to the Cash Collateral Order without the bank agent’s or the Requisite Consenting First Lien Bond Holders’ consent, (e) entry of a final order terminating or requiring repayment of the Adequate Protection Payments, (f) dismissal or conversion of the Company’s chapter 11 cases, (g) termination of the Company’s exclusive right to file a Plan, (h) failure to make an Adequate Protection Payment (5 business day grace period), and (i) failure to perform any other material term of the Cash Collateral Order (5 business day cure period).

¹⁴ Such payments shall be in consideration for any claims that the First Lien Bank Lenders and First Lien Noteholders may have for diminution in the value of their collateral occasioned by the automatic stay and the use of their collateral by the Debtors in Possession and shall not under any circumstances be deemed payments of principal.

	doubt, if CEC makes any Additional CEC Contribution, then Available Cash shall be zero.
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IX. Other

PropCo Call Rights	<p>Subject to the terms of the CERP debt documents and in no event in a manner that is dilutive of covenant compliance, PropCo shall have the right, for up to [180] days following the date the Restructuring is consummated, to enter into a binding agreement to purchase the real estate underlying Harrah’s Atlantic City and Harrah’s Laughlin for a cash purchase price equal to ten times the agreed annual rent for such properties, and on other customary terms and conditions, with the closing of such purchase(s) to occur following regulatory approvals.¹⁵</p> <p>Other material terms of the PropCo call rights are set forth in <u>Annex XII</u>.</p>
Definitive Agreements	<p>Subject to the terms of the RSA, as soon as reasonably practicable, the parties will execute definitive documents and agreements implementing the Restructuring in form and substance consistent in all material respects with this Term Sheet.</p>
Non Transfer	<p>As set forth in the RSA and subject to its terms and certain exceptions contained therein, each Consenting Creditor and the Company Parties (as each is defined in the RSA) will agree, on behalf of itself and its affiliates, not to transfer any First Lien Bank Obligations, First Lien Note Obligations or Non-First Lien Obligations held by such party and its affiliates from the date of execution of the RSA through the consummation of the Restructuring (including without limitation closing all Put Options and Equity Rights) unless the transferee(s) agree(s) to be bound by all of the terms and conditions of the RSA and this Term Sheet.</p>
Intercreditor Agreements	<p>Plan distributions shall be made in compliance with and shall enforce all applicable intercreditor and subordination agreements.</p>
Fiduciary Duties	<p>The RSA and applicable documents effectuating the Restructuring shall provide that nothing in the Plan, the RSA, or any such document shall require the Company or any directors, officers, or members of the Company, each in its capacity as a director, officer, or member of the Company, to take any action, or to refrain from taking any action, to the extent inconsistent with its or their fiduciary obligations (as determined by them in good faith after consultation with legal counsel).</p>

¹⁵ NTD: First Lien Noteholders to promptly let the Company know if they want other properties added to the PropCo Call Rights.

Annex I
Backstop Parties

Party	PropCo New LP Interests / REIT New Common Stock	OpCo New Common Stock	Total Amount
CEC	[\$300] million ¹⁶	[\$700] million	[\$1,000] million

¹⁶ Subject to dilution if other First Lien Noteholders elect to become Backstop Parties.

Annex II
REIT Structures

[to come]

Annex III
Lease and Rights of First Refusal Term Sheet

[to come]

Annex IV
Management and Lease Support Agreement Term Sheet

[to come]

Annex V
CPLV Debt

[to come]

Annex VI
CPLV Mezzanine Debt

[to come]

Annex VII
New First Lien OpCo Debt

[to come]

Annex VIII
New Second Lien OpCo Debt

[to come]

Annex IX
New First Lien PropCo Debt

[to come]

Annex X
New Second Lien PropCo Debt

[to come]

Annex XI
Form of Quarterly Budget

PropCo Call Rights

[to come]

Annex XII
PropCo Call Rights

[to come]

SEPARATION SHEET

Annex VII
New First Lien OpCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [Caesars Entertainment Operating Company, Inc.]² (the “**Borrower**”).

Agent/Collateral Agent: [] will act as sole administrative agent for the Senior Facilities (in such capacity and together with its permitted successors and assigns, the “**Agent**”), and will perform the duties customarily associated with such role.

[] will act as collateral agent for the Senior Facilities (in such capacity, the “**Collateral Agent**”) and will perform the duties customarily associated with such role.

The Agent and Collateral Agent shall each be acceptable to the First Lien Bank Lenders and the First Lien Noteholders.

- Facilities:
- (A) a senior secured term loan facility in an aggregate principal amount of \$[] (the “**First Lien Term Facility**” and loans thereunder, the “**Term Loans**”), which will be issued to each First Lien Bank Lender and each First Lien Noteholder, in accordance with the Restructuring Term Sheet (in such capacity, collectively the “**Lenders**”).
 - (B) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[] million (the “**Revolving Facility**” and, together with the First Lien Term Facility, the “**Senior Facilities**”), to be provided by the First Lien Bank Lenders or such other financial institutions to become Lenders under the Senior Facilities, a portion of which will be available through a subfacility in the form of letters of credit.

In accordance with the Restructuring Term Sheet, the Borrower shall use its commercially reasonable efforts to syndicate the First Lien Term Facility to the market at or below the interest rates set forth herein and, to the extent so syndicated, the cash proceeds will be used to increase the cash payments to the First Lien Bank Lenders and First Lien

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

² [NTD: Assumes CEOC is the operating company in the new REIT structure.

Noteholders pursuant to the terms of the Restructuring Term Sheet.

Definitive Documentation:

The definitive documentation for the Senior Facilities (the “*Senior Facilities Documentation*”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of October 11, 2013, among Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Resort Properties Finance, Inc., Harrah’s Las Vegas, LLC, Harrah’s Atlantic City Holding, Inc., Rio Properties, LLC, Flamingo Las Vegas Holding, LLC, Harrah’s Laughlin, LLC and Paris Las Vegas Holding, LLC, as borrowers, the lenders party thereto and Citicorp North America, Inc., as administrative agent, as modified (i) to reflect the Basket Adjustments (as defined below), (ii) to reflect agency and operational matters acceptable to the Borrower and Agent and (iii) to reflect the operating lease structure of the Borrower and its subsidiaries (the “*Documentation Precedent*”).

Incremental Facilities:

The Borrower will be permitted after the Closing Date to add additional revolving or term loan credit facilities (the “*Incremental Facilities*”) in an aggregate principal amount of up to (x) \$200.0 million plus (y) an additional principal amount of indebtedness that would not cause (1) in the case of debt incurred under the Incremental Facilities that is secured by pari passu liens on the Collateral, the pro forma First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of the Term Loans and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“*First Lien Net Leverage Ratio*”) to exceed 4.25 to 1.00 and (2) in the case of debt incurred under the Incremental Facilities that is secured by junior liens on the Collateral, the pro forma Total Secured Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that is secured by liens on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA) (“*Total Secured Net Leverage Ratio*”) to exceed 6.00 to 1.00; *provided*, that:

- (i) the loans under such additional credit facilities shall be senior secured obligations and shall rank pari passu or junior in right of security with, and shall have the same guarantees as, the Senior Facilities; *provided*, that, if such additional credit facilities rank junior in right of security with the other Senior Facilities,

(x) such additional credit facilities will be established as a separate facility from the Senior Facilities and pursuant to separate documentation, (y) such Incremental Facilities shall be subject to the Intercreditor Agreement (as defined below) or another intercreditor agreement that is not materially less favorable to the Lenders than the Intercreditor Agreement (as determined in good faith by the Borrower) and (z) for the avoidance of doubt, will not be subject to clause (iv) below;

- (ii) the loans under the additional term loan facilities will mature no earlier than, and will have a weighted average life to maturity no shorter than, that of the First Lien Term Facility and all other terms of any such additional term loan facility (other than pricing, amortization or maturity) shall be substantially identical to the First Lien Term Facility or otherwise reasonably acceptable to the Agent;
- (iii) all fees and expenses owing in respect of such increase to the Agent, Collateral Agent and the Lenders shall have been paid; and
- (iv) each incremental term facility shall be subject to a “most favored nation” pricing provision that ensures that the initial “yield” on the incremental facility does not exceed the “yield” at such time on the First Lien Term Facility by more than 50 basis points (with “yield” being determined by the Agent taking into account the applicable margin, upfront fees, any original issue discount and any LIBOR or ABR floors, but excluding any structuring, commitment and arranger or similar fees).

Purpose: On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.

Availability: The full amount of the First Lien Term Facility will be issued on the Closing Date. Amounts under the First Lien Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates: LIBOR + [4.0-4.5]% per annum, with a 1.0% LIBOR floor.³

³ Rate tied to amount of New Second Lien OpCo Debt outstanding on the Closing Date pursuant to the terms of the Restructuring Term Sheet.

Default Rate:

With respect to overdue principal (whether at stated maturity, upon acceleration or otherwise), the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity
and Amortization:

The First Lien Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the First Lien Term Facility with the balance payable on the maturity date of the First Lien Term Facility.

Guarantees:

All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent and others to be agreed upon. The Guarantees will be guarantees of payment and not of collection.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not

limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower, Agent and Collateral Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

The relative rights and priorities in the Collateral for each of the Credit Agreement and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Credit Agreement, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the "*Intercreditor Agreement*").

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the Term Loans under the First Lien Term Facility, in each case subject to customary and other exceptions to be agreed upon, including

those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed) of the Borrower and its restricted subsidiaries (stepping down to 25% if the First Lien Net Leverage Ratio is less than or equal to 2.75 to 1.00 and stepping down to 0% if the First Lien Net Leverage Ratio is less than or equal to 2.25 to 1.00) shall be used to prepay the Term Loans under the First Lien Term Facility; *provided* that any voluntary prepayment of Term Loans made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the First Lien Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the First Lien Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and
Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time in minimum principal amounts to be agreed upon, without premium or penalty, subject to the following paragraph and subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All

voluntary prepayments of the First Lien Term Facility will be applied pro rata to the Term Loan and to the remaining amortization payments under the First Lien Term Facility in such order as the Borrower may direct.

Voluntary Prepayments of the Term Loans made prior to the four year anniversary of the Closing Date will be subject to a prepayment premium, as follows:

- First year following Closing Date: customary “make-whole” premium (T+50)
- Second year following Closing Date: 3%
- Third year following Closing Date: 2%
- Fourth year following Closing Date: 1%
- Fourth year anniversary and thereafter: par

Representations and Warranties:

The following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change since the Closing Date; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; Closing Date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

The following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely

with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods to be agreed for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget; delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions “*Guarantees*” and “*Security*”); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

The following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event a customary basket amount or “*cumulative credit*” (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt) :

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt.
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates.
8. Limitation on sale/leaseback transactions.

9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

With respect to basket amounts, covenant thresholds and similar levels in the Senior Facilities Documentation that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the existing Caesars Entertainment Operating Company, Inc. amended and restated credit facility, in each case multiplied by 1/3 (such amounts as adjusted, the “*Basket Adjustments*”).

Financial Covenant:

First Lien Term Facility: None.

Events of Default:

The following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Senior Facilities Documentation will contain provisions pursuant to which, subject to limitations consistent with the Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized

subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Senior Facilities Documentation on terms consistent with the Documentation Precedent.

Voting: Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection: Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations: The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the First Lien Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the First Lien Term Facility, to another Lender under the First Lien Term Facility or an affiliate or approved fund of a Lender under the First Lien Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the First Lien Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or

commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the First Lien Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Consistent with the Documentation Precedent.

Regulatory Matters:

Customary for facilities of this type and consistent with the Documentation Precedent.

Governing Law and Forum:

New York.

Counsel to Agent/Collateral

[].

Agent:

Annex VIII
New Second Lien OpCo Debt
\$[] Second Lien Notes
Summary of Principal Terms¹

- Issuer: [Caesars Entertainment Operating Company, Inc.]², in its capacity as the issuer of the Second Lien Notes (the “*Issuer*”).
- Issue: The Second Lien Notes will be issued under an indenture that is based on and consistent with the indenture for the second-priority senior secured notes issued on October 11, 2013 by Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Resort Properties Finance, Inc., Harrah’s Atlantic City Holding, Inc., Harrah’s Las Vegas, LLC, Harrah’s Laughlin, LLC, Flamingo Las Vegas Holding, LLC, Paris Las Vegas Holding, LLC, Rio Properties, LLC, as modified to reflect (i) the Basket Adjustments (as defined below) and (ii) the operating lease structure of the Issuer and its subsidiaries (the “*Documentation Precedent*”).
- Purpose: On the Closing Date, the Second Lien Notes will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.
- Maturity: The Second Lien Notes will mature on the date that is seven (7) years after the Closing Date.
- Interest Rate: A fixed rate equal to 8.5%.
- Ranking: The Second Lien Notes will constitute senior second-priority secured indebtedness of the Issuer, and will rank pari passu in right of payment with all obligations under the Senior Facilities (the “*Credit Agreement*”) and all other senior indebtedness of the Issuer.
- Guarantees: The Second Lien Notes will be guaranteed by each wholly owned domestic subsidiary of the Issuer that guarantees the Credit Agreement (the “*Note Guarantors*”) on a senior second-priority secured basis (the “*Note Guarantees*”). The Note Guarantees will rank pari passu in right of payment with all obligations under the Credit Agreement and all other senior indebtedness of the Note Guarantors. The Note Guarantees will be automatically released upon release of the corresponding

¹ All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “*Restructuring Term Sheet*”), or in the New First Lien OpCo Debt Term Sheet attached thereto.

² NTD: Assumes CEOC is the operating company in the new REIT structure.

guarantees of the Credit Agreement; *provided* that such released guarantees shall be reinstated if such released guarantors thereof are required to subsequently guarantee the Credit Agreement. The Note Guarantees will be guarantees of payment and not of collection.

Security:

Subject to the limitations set forth below and limitations consistent with the Documentation Precedent, the Second Lien Notes and the Note Guarantees will be secured by a second-priority (subject to permitted liens and other exceptions consistent with the Documentation Precedent) security interest in those assets of the Issuer and the Note Guarantors that secure the Credit Agreement (the “*Collateral*”), *provided* that (i) assets securing the Second Lien Notes shall not include property excluded from the Collateral securing the Credit Agreement and (ii) the pledge of equity interests and other securities will be subject to customary Rule 3-16 cut-back provisions.

The relative rights and priorities in the Collateral for each of the Credit Agreement and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Credit Agreement, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the “*Intercreditor Agreement*”).

Mandatory Redemption:

None.

Optional Redemption:

Prior to the first anniversary of the Closing Date, the Issuer may redeem the Notes at a make-whole price based on U.S. Treasury notes with a maturity closest to the first anniversary of the Closing Date plus 50 basis points.

Prior to the first anniversary of the Closing Date, the Issuer may redeem up to 35% of the Notes in an amount equal to the amount of proceeds from an equity offering at a price equal to par plus the coupon on such Notes.

After the first anniversary of the Closing Date, the Notes will be callable at par plus accrued interest plus a premium equal to 3.00%, which premium shall decline to 2.00% on the second anniversary of the Closing Date, to 1.00% on the first anniversary of the Closing Date and to zero on the fourth anniversary of the Closing Date.

Offer to Purchase from

The Issuer will be required to make an offer to repurchase the Second Lien Notes at par with the net cash proceeds from any

<u>Asset Sale Proceeds:</u>	non-ordinary course asset sales or dispositions by the Issuer or any Note Guarantor in accordance with the Documentation Precedent to the extent any such proceeds are not otherwise applied in a manner consistent with the Documentation Precedent.
<u>Offer to Repurchase Upon a Change of Control:</u>	The Issuer will be required to make an offer to repurchase the Second Lien Notes following the occurrence of a “ <i>change of control</i> ” (to be defined in a manner consistent with the Documentation Precedent) at a price in cash equal to 101.0% of the outstanding principal amount thereof, plus accrued and unpaid interest to the date of repurchase.
<u>Defeasance and Discharge Provisions:</u>	Customary for high yield debt securities consistent with the Documentation Precedent.
<u>Modification:</u>	Customary for high yield debt securities consistent with the Documentation Precedent.
<u>Registration Rights:</u>	None.
<u>Covenants:</u>	<p>Substantially the same as those in the Documentation Precedent (including in respect of baskets and carveouts to such covenants); <i>provided</i>, that such covenants shall in no event be more restrictive than the corresponding covenant in the Credit Agreement (including, without limitation, with respect to acquisitions, dispositions and restricted payments). For the avoidance of doubt, there shall be no financial maintenance covenants.</p> <ol style="list-style-type: none"> 1. The provisions limiting indebtedness shall, in addition to carve-outs consistent with the Documentation Precedent, provide that the amount of indebtedness incurred under the “bank basket” will not exceed an amount equal to the sum of (i) the aggregate principal amount of the Credit Agreement (including the accordion provisions thereunder), plus (ii) such additional amount of indebtedness that may be incurred that would not cause the ratio of funded debt outstanding that is secured by a first priority lien on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA (the “<i>Net First Lien Leverage Ratio</i>”) on a pro forma basis to exceed 4.50 to 1.00 on the date of incurrence; 2. The provisions limiting liens shall provide for customary permitted liens consistent with the Documentation Precedent and include (i) the ability to incur (x) first-priority liens on indebtedness to the extent that the pro forma Net First Lien

Leverage Ratio is not greater than 4.50 to 1.00 and (y) pari passu liens on indebtedness so long as such liens are subject to the Intercreditor Agreement or another intercreditor agreement that is not materially less favorable to the holders than the Intercreditor Agreement; (ii) the ability to incur liens junior to the liens securing the Second Lien Notes and (iii) the ability to incur liens on assets of non-Note Guarantor subsidiaries so long as such liens secure obligations of non-Note Guarantor subsidiaries that are otherwise permitted.

With respect to basket amounts, covenant thresholds and similar levels in the indenture governing the Second Lien Notes that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the indentures governing the existing Caesars Entertainment Operating Company, Inc. second lien notes, in each case multiplied by 1/3 (such amounts as adjusted, the “*Basket Adjustments*”).

Events of Default: Customary for high yield debt securities and consistent with the Documentation Precedent.

Governing Law: New York.

Regulatory Matters: Consistent with the Documentation Precedent.

Counsel to the Notes Lead Arranger: [].

Annex IX
New First Lien PropCo Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [REIT PropCo] (the “**Borrower**”).

Agent/Collateral Agent: [] will act as sole administrative agent for the Senior Facilities (in such capacity and together with its permitted successors and assigns, the “**Agent**”), and will perform the duties customarily associated with such role.

[] will act as collateral agent for the Senior Facilities (in such capacity, the “**Collateral Agent**”) and will perform the duties customarily associated with such role.

The Agent and Collateral Agent shall each be acceptable to the First Lien Bank Lenders and First Lien Noteholders.

- Facilities:
- (A) a senior secured term loan facility in an aggregate principal amount of \$[] (the “**First Lien Term Facility**” and loans thereunder, the “**Term Loans**”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”).
 - (B) at the Borrower’s option, a senior secured revolving credit facility in an aggregate principal amount not to exceed \$[] million (the “**Revolving Facility**” and, together with the First Lien Term Facility, the “**Senior Facilities**”), to be provided by the First Lien Bank Lenders or such other financial institutions to become Lenders under the Senior Facilities, a portion of which will be available through a subfacility in the form of letters of credit.

Definitive Documentation: The definitive documentation for the Senior Facilities (the “**Senior Facilities Documentation**”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of October 11, 2013, among Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Resort Properties Finance, Inc., Harrah’s Las Vegas, LLC, Harrah’s Atlantic City Holding,

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

Inc., Rio Properties, LLC, Flamingo Las Vegas Holding, LLC, Harrah's Laughlin, LLC and Paris Las Vegas Holding, LLC, as borrowers, the lenders party thereto and Citicorp North America, Inc., as administrative agent, as modified to (i) reflect the Basket Adjustments (as defined below), (ii) reflect agency and operational matters acceptable to the Borrower and Agent and (iii) to reflect the operating lease structure and the REIT structure of the Borrower and its subsidiaries (the "**Documentation Precedent**").

Incremental Facilities:

The Borrower will be permitted after the Closing Date to add additional revolving or term loan credit facilities (the "**Incremental Facilities**") in an aggregate principal amount of up to (x) \$325.0 million plus (y) an additional principal amount of indebtedness that would not cause (1) in the case of debt incurred under the Incremental Facilities that is secured by pari passu liens on the Collateral, the pro forma First Lien Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that consists of the Term Loans and other funded debt that is secured by first-priority liens on the Collateral that are pari passu with the Term Loans (net of unrestricted cash and cash equivalents) to adjusted EBITDA) ("**First Lien Net Leverage Ratio**") to exceed 4.25 to 1.00 and (2) in the case of debt incurred under the Incremental Facilities that is secured by junior liens on the Collateral, the pro forma Total Secured Net Leverage Ratio (to be defined as the ratio of total funded debt outstanding that is secured by liens on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA) ("**Total Secured Net Leverage Ratio**") to exceed 7.00 to 1.00; *provided*, that:

- (i) the loans under such additional credit facilities shall be senior secured obligations and shall rank pari passu or junior in right of security with, and shall have the same guarantees as, the Senior Facilities; *provided*, that, if such additional credit facilities rank junior in right of security with the other Senior Facilities, (x) such additional credit facilities will be established as a separate facility from the Senior Facilities and pursuant to separate documentation, (y) such Incremental Facilities shall be subject to the Intercreditor Agreement (as defined below) or another intercreditor agreement that is not materially less favorable to the Lenders than the Intercreditor Agreement (as determined in good faith by the Borrower) and (z) for the avoidance of doubt, will not

be subject to clause (iv) below;

- (ii) the loans under the additional term loan facilities will mature no earlier than, and will have a weighted average life to maturity no shorter than, that of the First Lien Term Facility and all other terms of any such additional term loan facility (other than pricing, amortization or maturity) shall be substantially identical to the First Lien Term Facility or otherwise reasonably acceptable to the Agent;
- (iii) all fees and expenses owing in respect of such increase to the Agent, Collateral Agent and the Lenders shall have been paid; and
- (iv) each incremental term facility shall be subject to a “most favored nation” pricing provision that ensures that the initial “yield” on the incremental facility does not exceed the “yield” at such time on the First Lien Term Facility by more than 50 basis points (with “yield” being determined by the Agent taking into account the applicable margin, upfront fees, any original issue discount and any LIBOR or ABR floors, but excluding any structuring, commitment and arranger or similar fees).

Purpose:

On the Closing Date, the Term Loan will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.

Availability:

The full amount of the First Lien Term Facility will be issued on the Closing Date. Amounts under the First Lien Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates:

LIBOR + 3.5% per annum, with a 1.0% LIBOR floor.

Default Rate:

With respect to overdue principal (whether at stated maturity, upon acceleration or otherwise), the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity
and Amortization:

The First Lien Term Facility will mature on the date that is five (5) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of

the First Lien Term Facility with the balance payable on the maturity date of the First Lien Term Facility.

Guarantees:

All obligations of the Borrower under the Senior Facilities and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing (“**Hedging Arrangements**”), or any cash management arrangements with any such person (“**Cash Management Arrangements**”), will be unconditionally guaranteed (the “**Guarantees**”) by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the “**Subsidiary Guarantors**”), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent and others to be agreed upon. The Guarantees will be guarantees of payment and not of collection.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Senior Facilities, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the “**Collateral**”), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower, Agent and Collateral Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent

with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

The relative rights and priorities in the Collateral for each of the Senior Facilities and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Senior Facilities, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the "*Intercreditor Agreement*").

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Senior Facilities Documentation), shall be applied to prepay the Term Loans under the First Lien Term Facility, in each case subject to customary and other exceptions to be agreed upon, including those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below)) of the

Borrower and its restricted subsidiaries (stepping down to 25% if the First Lien Net Leverage Ratio is less than or equal to 2.75 to 1.00 and stepping down to 0% if the First Lien Net Leverage Ratio is less than or equal to 2.25 to 1.00) shall be used to prepay the Term Loans under the First Lien Term Facility; *provided* that any voluntary prepayment of Term Loans made during any fiscal year (including Loans under the Revolving Facility to the extent commitments thereunder are permanently reduced by the amount of such prepayments at the time of such prepayment) shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the First Lien Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the First Lien Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and
Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Senior Facilities and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to the following paragraph and subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the First Lien Term Facility will be applied pro rata to the Term Loan and to the remaining amortization payments under the First Lien Term Facility in such order as the Borrower may direct.

Voluntary Prepayments of the Term Loans made prior to the

four year anniversary of the Closing Date will be subject to a prepayment premium, as follows:

- First year following Closing Date: customary “make-whole” premium (T+50)
- Second year following Closing Date: 3%
- Third year following Closing Date: 2%
- Fourth year following Closing Date: 1%
- Fourth year anniversary and thereafter: par

Representations and Warranties:

The following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change since the Closing Date; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; Closing Date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

The following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods to be agreed for delivery of the first annual and certain quarterly financial statements to be delivered after the

Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions "**Guarantees**" and "**Security**"); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

The following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event a customary basket amount or "*cumulative credit*" (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt):

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided, that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the "**Mandatory REIT Distributions**").
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates.

8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

With respect to basket amounts, covenant thresholds and similar levels in the Senior Facilities Documentation that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the existing Caesars Entertainment Operating Company, Inc. amended and restated credit facility, in each case multiplied by 2/3 (such amounts as adjusted, the “*Basket Adjustments*”).

Financial Covenant:

First Lien Term Facility: None.

Events of Default:

The following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Senior Facilities Documentation will contain provisions pursuant to which, subject to limitations consistent with the

Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Senior Facilities Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Senior Facilities Documentation on terms consistent with the Documentation Precedent. In addition, [CPLV Sub] shall constitute an unrestricted subsidiary of the Borrower on the Closing Date.

Voting:

Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the Senior Facilities with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the First Lien Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the First Lien Term Facility, to another Lender under the First Lien Term Facility or an affiliate or approved fund of a Lender under the First Lien Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the First Lien Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata between the Senior Facilities.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants

shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the First Lien Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Consistent with the Documentation Precedent.

Regulatory Matters:

Customary for facilities of this type and consistent with the

Documentation Precedent.

Governing Law and Forum: New York.

Counsel to Agent/Collateral Agent: [].

Annex X
New Second Lien PropCo Debt
\$[] Second Lien Notes
Summary of Principal Terms¹

- Issuer: [REIT PropCo], in its capacity as the issuer of the Second Lien Notes (the “*Issuer*”).
- Issue: The Second Lien Notes will be issued under an indenture that is based on and consistent with the indenture for the second-priority senior secured notes issued on October 11, 2013 by Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Resort Properties Finance, Inc., Harrah’s Atlantic City Holding, Inc., Harrah’s Las Vegas, LLC, Harrah’s Laughlin, LLC, Flamingo Las Vegas Holding, LLC, Paris Las Vegas Holding, LLC, Rio Properties, LLC, as modified to reflect (i) the Basket Adjustments (as defined below) and (ii) the operating lease structure and the REIT structure of the Issuer and its subsidiaries (the “*Documentation Precedent*”).
- Purpose: On the Closing Date, the Second Lien Notes will be issued to each First Lien Noteholder in accordance with the Restructuring Term Sheet.
- Maturity: The Second Lien Notes will mature on the date that is six (6) years after the Closing Date.
- Interest Rate: A fixed rate equal to 7.0%.
- Ranking: The Second Lien Notes will constitute senior second-priority secured indebtedness of the Issuer, and will rank pari passu in right of payment with all obligations under the Senior Facilities (the “*Credit Agreement*”) and all other senior indebtedness of the Issuer.
- Guarantees: The Second Lien Notes will be guaranteed by each wholly owned domestic subsidiary of the Issuer that guarantees the Credit Agreement (the “*Note Guarantors*”) on a senior second-priority secured basis (the “*Note Guarantees*”). The Note Guarantees will rank pari passu in right of payment with all obligations under the Credit Agreement and all other senior indebtedness of the Note Guarantors. The Note Guarantees will be automatically released upon release of the corresponding guarantees of the Credit Agreement; *provided* that such released

¹ All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “*Restructuring Term Sheet*”), or in the New First Lien PropCo Debt Term Sheet attached thereto.

guarantees shall be reinstated if such released guarantors thereof are required to subsequently guarantee the Credit Agreement. The Note Guarantees will be guarantees of payment and not of collection.

Security:

Subject to the limitations set forth below and limitations consistent with the Documentation Precedent, the Second Lien Notes and the Note Guarantees will be secured by a second-priority (subject to permitted liens and other exceptions consistent with the Documentation Precedent) security interest in those assets of the Issuer and the Note Guarantors that secure the Credit Agreement (the “*Collateral*”), *provided* that (i) assets securing the Second Lien Notes shall not include property excluded from the Collateral securing the Credit Agreement and (ii) the pledge of equity interests and other securities will be subject to customary Rule 3-16 cut-back provisions.

The relative rights and priorities in the Collateral for each of the Credit Agreement and the Second Lien Notes will be set forth in a customary intercreditor agreement, consistent with the Documentation Precedent, as between the collateral agent for the Credit Agreement, on the one hand, and the collateral agent for the Second Lien Notes, on the other hand (the “*Intercreditor Agreement*”).

Mandatory Redemption:

None.

Optional Redemption:

Prior to the third anniversary of the Closing Date, the Issuer may redeem the Notes at a make-whole price based on U.S. Treasury notes with a maturity closest to the third anniversary of the Closing Date plus 50 basis points.

Prior to the third anniversary of the Closing Date, the Issuer may redeem up to 35% of the Notes in an amount equal to the amount of proceeds from an equity offering at a price equal to par plus the coupon on such Notes.

After the third anniversary of the Closing Date, the Notes will be callable at par plus accrued interest plus a premium equal to one-half of the coupon on such Notes, which premium shall decline ratably on each anniversary of the Closing Date thereafter to zero on the date that is two years prior to the maturity date.

Offer to Purchase from
Asset Sale Proceeds:

The Issuer will be required to make an offer to repurchase the Second Lien Notes at par with the net cash proceeds from any non-ordinary course asset sales or dispositions by the Issuer or any Note Guarantor in accordance with the Documentation

Precedent to the extent any such proceeds are not otherwise applied in a manner consistent with the Documentation Precedent.

Offer to Repurchase Upon a Change of Control:

The Issuer will be required to make an offer to repurchase the Second Lien Notes following the occurrence of a “*change of control*” (to be defined in a manner consistent with the Documentation Precedent) at a price in cash equal to 101.0% of the outstanding principal amount thereof, plus accrued and unpaid interest to the date of repurchase.

Defeasance and Discharge Provisions:

Customary for high yield debt securities consistent with the Documentation Precedent.

Modification:

Customary for high yield debt securities consistent with the Documentation Precedent.

Registration Rights:

None.

Covenants:

Substantially the same as those in the Documentation Precedent (including in respect of baskets and carveouts to such covenants); *provided*, that such covenants shall in no event be more restrictive than the corresponding covenant in the Credit Agreement (including, without limitation, with respect to acquisitions, dispositions and restricted payments, including Mandatory REIT Distributions). For the avoidance of doubt, there shall be no financial maintenance covenants.

1. The provisions limiting indebtedness shall, in addition to carve-outs consistent with the Documentation Precedent, provide that the amount of indebtedness incurred under the “bank basket” will not exceed an amount equal to the sum of (i) the aggregate principal amount of the Credit Agreement (including the accordion provisions thereunder), plus (ii) such additional amount of indebtedness that may be incurred that would not cause the ratio of funded debt outstanding that is secured by a first priority lien on the Collateral (net of unrestricted cash and cash equivalents) to adjusted EBITDA (the “*Net First Lien Leverage Ratio*”) on a pro forma basis to exceed 4.50 to 1.0 on the date of incurrence;

2. The provisions limiting liens shall provide for customary permitted liens consistent with the Documentation Precedent and include (i) the ability to incur (x) first-priority liens on indebtedness to the extent that the pro forma Net First Lien Leverage Ratio is not greater than 4.50 to 1.00 and (y) pari passu liens on indebtedness so long as such liens are subject to

the Intercreditor Agreement or another intercreditor agreement that is not materially less favorable to the holders than the Intercreditor Agreement; (ii) the ability to incur liens junior to the liens securing the Second Lien Notes and (iii) the ability to incur liens on assets of non-Note Guarantor subsidiaries so long as such liens secure obligations of non-Note Guarantor subsidiaries that are otherwise permitted.

With respect to basket amounts, covenant thresholds and similar levels in the indenture governing the Second Lien Notes that are tied to dollar amounts, such amounts, thresholds and levels will be based on the corresponding dollar amounts that are set forth in the indentures governing the existing Caesars Entertainment Operating Company, Inc. second lien notes, in each case multiplied by 2/3 (such amounts as adjusted, the “*Basket Adjustments*”).

[CPLV Sub] shall constitute an unrestricted subsidiary of the Issuer on the Closing Date.

Events of Default: Customary for high yield debt securities and consistent with the Documentation Precedent.

Governing Law: New York.

Regulatory Matters: Consistent with the Documentation Precedent.

Counsel to the Notes Lead Arranger: [].

Annex V
CPLV Debt
[\$[] Term Facility
Summary of Principal Terms¹

Borrower: [CPLV Sub], a wholly-owned unrestricted subsidiary of REIT PropCo (the “**Borrower**”).

Agent: [] will act as sole administrative agent and collateral agent for the Term Facility (in such capacity and together with its permitted successors and assigns, the “**Agent**”), and will perform the duties customarily associated with such roles.

Facilities: A senior secured non-guaranteed term loan facility in an aggregate principal amount of \$[] (the “**CPLV Term Facility**” and loans thereunder, the “**CPLV Term Loans**”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “**Lenders**”). In accordance with the Restructuring Term Sheet, the Borrower shall use its commercially reasonable efforts to issue the CPLV Market Debt. In the event the CPLV Market Debt is issued on the terms contemplated by the Restructuring Term Sheet, the CPLV Term Loans will not be issued.

Definitive Documentation: The definitive documentation for the CPLV Term Facility (the “**Term Facility Documentation**”) shall, except as otherwise set forth herein, be based on and consistent with the First Lien Credit Agreement, dated as of October 11, 2013, among Caesars Entertainment Resort Properties, LLC, Caesars Entertainment Resort Properties Finance, Inc., Harrah’s Las Vegas, LLC, Harrah’s Atlantic City Holding, Inc., Rio Properties, LLC, Flamingo Las Vegas Holding, LLC, Harrah’s Laughlin, LLC and Paris Las Vegas Holding, LLC, as borrowers, the lenders party thereto and Citicorp North America, Inc., as administrative agent, as modified to reflect (i) agency and operational matters acceptable to the Borrower and Agent and (ii) the operating lease structure and the REIT structure of the Borrower (the “**Documentation Precedent**”).

Purpose: On the Closing Date, the CPLV Term Loans will be issued to each First Lien Bank Lender and First Lien Noteholder in

¹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

accordance with the Restructuring Term Sheet.

Availability:

The full amount of the CPLV Term Facility will be issued on the Closing Date. Amounts under the CPLV Term Facility that are repaid or prepaid may not be reborrowed.

Interest Rates:

LIBOR + 3.5% per annum, with a 1.0% LIBOR floor.

Default Rate:

With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity
and Amortization:

The CPLV Term Facility will mature on the date that is six (6) years after the Closing Date, and, commencing with the second full fiscal quarter ended after the Closing Date, will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the CPLV Term Facility with the balance payable on the maturity date of the CPLV Term Facility.

Guarantees:

All obligations of the Borrower under the CPLV Term Facility and, at the option of the Borrower, under any interest rate protection or other hedging arrangements entered into with the Agent, an entity that is a Lender or agent at the time of such transaction (or on the Closing Date, if applicable), or any affiliate of any of the foregoing ("**Hedging Arrangements**"), or any cash management arrangements with any such person ("**Cash Management Arrangements**"), will be unconditionally guaranteed (the "**Guarantees**") by each existing and subsequently acquired or organized wholly owned domestic subsidiary of the Borrower (the "**Subsidiary Guarantors**"), subject to exceptions (including as to immateriality) consistent with the Documentation Precedent and others to be agreed upon. The Guarantees shall be a guarantee of payment and not of collection.

Security:

Subject to exceptions described below and other exceptions to be agreed upon, the Term Facility, the Guarantees, any Hedging Arrangements and any Cash Management Arrangements will be secured on a first-priority basis by substantially all the owned material assets of the Borrower and each Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired (collectively, the "**Collateral**"), including but not limited to: (a) a perfected first-priority pledge of all the equity interests directly held by

the Borrower or any Subsidiary Guarantor (which pledge, in the case of any foreign subsidiary, shall be limited to 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of such foreign subsidiary) and (b) perfected first-priority security interests in, and mortgages on, substantially all owned tangible and intangible assets of the Borrower and each Subsidiary Guarantor (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property and real property) except for (u) real property with a fair market value less than \$15.0 million and leaseholds, (v) vehicles, (w) those assets as to which the Borrower and Agent shall reasonably determine that the costs or other consequences of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby, (x) assets to which the granting or perfecting such security interest would violate any applicable law (including gaming laws and regulations) or contract, (y) deposit accounts and securities accounts and (z) other exceptions consistent with the Documentation Precedent. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation consistent with the Documentation Precedent.

Mandatory Prepayments:

Unless (in the case of clause (a)) the net cash proceeds are reinvested (or committed to be reinvested) in the business within 12 months after (and, if so committed to be reinvested, are actually reinvested within three months after the end of such initial 12-month period), a non-ordinary course asset sale or other non-ordinary disposition of property (other than sale of receivables in connection with a permitted receivable financing) of the Borrower or any of the subsidiaries (including insurance and condemnation proceeds), (a) 100% of the net cash proceeds in excess of an amount to be agreed upon from such non-ordinary course asset sales or other non-ordinary dispositions of property, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and its subsidiaries (other than debt permitted to be incurred under the Term Facility

Documentation), shall be applied to prepay the loans under the CPLV Term Facility, in each case subject to customary and other exceptions to be agreed upon, including those consistent with the Documentation Precedent.

In addition, beginning with the first full fiscal year of the Borrower after the Closing Date, 50% of Excess Cash Flow (to be defined in a manner consistent with the Documentation Precedent and subject to a minimum threshold to be agreed and, in any event, to be calculated after giving effect to any Mandatory REIT Distributions (as defined below) of the Borrower and its restricted subsidiaries (with step-downs to be agreed) shall be used to prepay the loans under the Term Facility; *provided* that any voluntary prepayment of Loans made during any fiscal year shall be credited against excess cash flow prepayment obligations for such fiscal year (or, at the Borrower's option, any future year) on a Dollar-for-Dollar basis.

Notwithstanding the foregoing, each Lender under the CPLV Term Facility shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower on terms consistent with the Documentation Precedent.

The above-described mandatory prepayments shall be applied to the CPLV Term Facility in direct order of maturity.

Prepayments from subsidiaries' Excess Cash Flow and asset sale proceeds will be limited under the definitive documentation to the extent (y) the repatriation of funds to fund such prepayments is prohibited, restricted or delayed by applicable local laws, (y) applied to repay indebtedness of a foreign subsidiary of the Borrower or (z) the repatriation of funds to fund such prepayments would result in material adverse tax consequences.

Voluntary Prepayments and
Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the CPLV Term Facility and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the CPLV Term Facility in such order as the

Borrower may direct.

Representations and Warranties:

The following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change since the Closing Date; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; Closing Date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

The following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings

(but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions “**Guarantees**” and “**Security**”); further assurances in respect of collateral matters; use of proceeds; and payment of taxes.

Negative Covenants:

The following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon (including in any event a customary basket amount or “*cumulative credit*” (which will be based on retained excess cash flow of the Borrower since the Closing Date) that may be used for, among other things, investments, dividends and distributions, stock repurchases and the prepayment of subordinated debt):

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the “**Mandatory REIT Distributions**”).
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates.
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.

12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

Financial Covenant:

CPLV Term Facility: None.

Events of Default:

The following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).

Unrestricted Subsidiaries:

The Term Facility Documentation will contain provisions pursuant to which, subject to limitations consistent with the Documentation Precedent, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary. Unrestricted subsidiaries will not be subject to the affirmative or negative covenant or event of default provisions of the Term Facility Documentation, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating the financial ratios contained in the Term Facility Documentation on terms consistent with the Documentation Precedent.

Voting:

Usual for facilities and transactions of this type and consistent with the Documentation Precedent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, consistent with the Documentation Precedent.

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments under the CPLV Term Facility with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the CPLV Term Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); *provided*, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the CPLV Term Facility, to another Lender under the CPLV Term Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the CPLV Term Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation.

The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit "extension" transactions and "replacement" facility transactions (with existing and/or new Lenders),

subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the Term Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Consistent with the Documentation Precedent.

Regulatory Matters:

Customary for facilities of this type and consistent with the Documentation Precedent.

Governing Law and Forum:

New York.

Counsel to Agent:

[].

Annex VI
CPLV Mezz Debt
[\$[] Term Facility
Summary of Principal Terms⁹

<u>Borrower:</u>	[CPLV Holdings] (the “ Borrower ”), a newly-formed holding company that owns 100% of the outstanding stock in CPLV Sub.
<u>Agent:</u>	[] will act as sole administrative agent and collateral agent for the Term Facility (in such capacity and together with its permitted successors and assigns, the “ Agent ”), and will perform the duties customarily associated with such roles.
<u>Facilities:</u>	A secured non-guaranteed term loan facility in an aggregate principal amount equal to the difference in the amount of CPLV Market Debt issued in accordance with the Restructuring Term Sheet and \$2,600 million (the “ CPLV Mezz Facility ” and loans thereunder, the “ CPLV Mezz Loans ”), which will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet (in such capacity, the “ Lenders ”).
<u>Definitive Documentation:</u>	The definitive documentation for the CPLV Mezz Facility (the “ Mezz Facility Documentation ”) shall be based on customary documentation for commercial real estate mezzanine financings, as modified to reflect (i) agency and operational matters acceptable to the Borrower and Agent and (ii) the operating lease structure and the REIT structure of the Borrower (the “ Documentation Precedent ”).
<u>Purpose:</u>	On the Closing Date, the CPLV Mezz Loans will be issued to each First Lien Bank Lender and First Lien Noteholder in accordance with the Restructuring Term Sheet.
<u>Availability:</u>	The full amount of the CPLV Mezz Facility will be issued on the Closing Date. Amounts under the CPLV Mezz Facility that are repaid or prepaid may not be reborrowed.
<u>Interest Rates:</u>	A rate equal to 8.00% if the principal amount of the CPLV Mezz Facility is equal to \$600 million, increasing by 0.25% for every \$25 million reduction in the principal amount of the CPLV Mezz Facility below \$600 million on the Closing Date

⁹ All capitalized terms used but not defined herein shall have the meaning assigned thereto in the Restructuring Term Sheet to which this Term Sheet is attached (the “**Restructuring Term Sheet**”).

(up to a maximum interest rate of 13.0%).

Default Rate:

With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans plus 2.00% per annum and in each case, shall be payable on demand.

Final Maturity and Amortization:

The CPLV Mezz Facility will mature on the date that is six (6) years after the Closing Date.

Guarantees:

None.

Security:

Subject to customary exceptions, the CPLV Mezz Facility will be secured on a first-priority basis by a pledge of the equity interests in CPLV Sub. There shall be neither lockbox arrangements nor any control agreements relating to the Borrower's and its subsidiaries' bank accounts or securities accounts. The operating lease with [Caesars Entertainment Operating Company, Inc.] shall be subject to a customary subordination and non-disturbance agreement that will provide that such lease will survive any foreclosure or restructuring of the Borrower.

The relative rights and priorities in the Collateral for the CPLV Mezz Facility and the CPLV Market Debt will be set forth in a customary intercreditor agreement, as between the collateral agent for the CPLV Mezz Facility, on the one hand, and the collateral agent for the CPLV Market Debt, on the other hand.

Mandatory Prepayments:

Customary for commercial real estate mezzanine financings.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the CPLV Mezz Facility and prepayments of borrowings thereunder will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facility will be applied to the remaining amortization payments under the CPLV Mezz Facility in such order as the Borrower may direct.

Representations and Warranties:

The following representations and warranties will apply (to be applicable to the Borrower and its restricted subsidiaries, subject to customary and other exceptions and qualifications

to be agreed upon, consistent with the Documentation Precedent): organization, existence, and power; qualification; authorization and enforceability; no conflict; governmental consents; subsidiaries; accuracy of financial statements and other information in all material respects; projections; no material adverse change since the Closing Date; absence of litigation; compliance with laws (including PATRIOT Act, OFAC, FCPA, ERISA, margin regulations, environmental laws and laws with respect to sanctioned persons); payment of taxes; ownership of properties; governmental regulation; inapplicability of the Investment Company Act; Closing Date solvency on a consolidated basis; labor matters; validity, priority and perfection of security interests in the Collateral; intellectual property; treatment as designated senior debt under subordinated debt documents (if any); use of proceeds; and insurance.

Affirmative Covenants:

The following affirmative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary (consistent with the Documentation Precedent) and other baskets, exceptions and qualifications to be agreed upon: maintenance of corporate existence and rights; performance and payment of obligations; delivery of annual and quarterly consolidated financial statements (accompanied by customary management discussion and analysis and (annually) by an audit opinion from nationally recognized auditors that is not subject to any qualification as to scope of such audit or going concern) (other than solely with respect to, or resulting solely from an upcoming maturity date under any series of indebtedness occurring within one year from the time such opinion is delivered) (with extended time periods for delivery of the first annual and certain quarterly financial statements to be delivered after the Closing Date) and an annual budget (it being understood that the public REIT reporting that includes the Borrower shall satisfy the Borrower's reporting obligations so long as it includes a consolidating income statement and balance sheet for the Borrower); delivery of notices of default and material adverse litigation, ERISA events and material adverse change; maintenance of properties in good working order; maintenance of books and records; maintenance of customary insurance; commercially reasonable efforts to maintain ratings (but not a specific rating); compliance with laws; inspection of books and properties; environmental; additional guarantors and additional collateral (subject to limitations set forth under the captions "*Guarantees*" and "*Security*"); further assurances in respect of collateral matters; use of proceeds;

and payment of taxes.

Negative Covenants:

The following negative covenants will apply (to be applicable to the Borrower and its restricted subsidiaries), subject to customary exceptions and qualifications (consistent with the Documentation Precedent) and others to be agreed upon:

1. Limitation on dispositions of assets.
2. Limitation on mergers and acquisitions.
3. Limitations on dividends and stock repurchases and optional redemptions (and optional prepayments) of subordinated debt; provided that, any distributions required to be made to satisfy any REIT-related requirements shall be permitted (such distributions, the “*Mandatory REIT Distributions*”).
4. Limitation on indebtedness (including guarantees and other contingent obligations) and preferred stock.
5. Limitation on loans and investments.
6. Limitation on liens and further negative pledges.
7. Limitation on transactions with affiliates.
8. Limitation on sale/leaseback transactions.
9. Limitation on changes in the business of the Borrower and its subsidiaries.
10. Limitation on restrictions on ability of subsidiaries to pay dividends or make distributions.
11. Limitation on changes to fiscal year.
12. Limitation on modifications to subordinated debt documents.

EBITDA shall be defined in a manner consistent with the Documentation Precedent.

All ratios and calculations shall be measured on a Pro Forma Basis (to be defined in a manner consistent with the Documentation Precedent, and including the annualized effect of addbacks in the definition of EBITDA).

<u>Financial Covenant:</u>	CPLV Mezz Facility: None.
<u>Events of Default:</u>	The following (subject to customary and other thresholds and grace periods to be agreed upon, consistent with the Documentation Precedent, and applicable to the Borrower and its restricted subsidiaries): nonpayment of principal, interest or other amounts; violation of covenants; incorrectness of representations and warranties in any material respect; cross event of default and cross acceleration to material indebtedness; bankruptcy and similar events; material judgments; ERISA events; invalidity of the Guarantees or any security document, in each case, representing a material portion of the Guarantees or the Collateral; and Change of Control (to be defined in a manner consistent with the Documentation Precedent).
<u>Voting:</u>	Usual for facilities and transactions of this type and consistent with the Documentation Precedent.
<u>Cost and Yield Protection:</u>	Usual for facilities and transactions of this type, consistent with the Documentation Precedent.
<u>Assignments and Participations:</u>	<p>The Lenders will be permitted to assign loans and commitments under the CPLV Mezz Facility with the consent of the Borrower (not to be unreasonably withheld or delayed, but which consent under the CPLV Mezz Facility shall be deemed granted if the Borrower fails to respond to a request for consent by a Lender within ten business days of such request being made); <i>provided</i>, that such consent of the Borrower shall not be required (i) if such assignment is made, in the case of the CPLV Mezz Facility, to another Lender under the CPLV Mezz Facility or an affiliate or approved fund of a Lender under the Term Facility or (ii) after the occurrence and during the continuance of an event of default relating to payment default or bankruptcy. All assignments will also require the consent of the Agent (subject to exceptions consistent with the Documentation Precedent) not to be unreasonably withheld or delayed. Each assignment, in the case of the CPLV Mezz Facility, will be in an amount of an integral multiple of \$1,000,000. The Agent will receive a processing and recordation fee of \$3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation.</p> <p>The Lenders will be permitted to sell participations in loans subject to the restrictions set forth herein and consistent with the Documentation Precedent. Voting rights of participants</p>

shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of defaults or events of default.

Notwithstanding the foregoing, assignments (and, to the extent such list is made available to all Lenders, participations) shall not be permitted to ineligible institutions identified to the Agent on or prior to the Closing Date and, with the consent of the Agent, thereafter; provided that the Agent shall not be held liable or responsible for any monitoring or enforcing of the foregoing.

Assignments shall not be deemed non-pro rata payments. Non-pro rata prepayments will be permitted to the extent required to permit “extension” transactions and “replacement” facility transactions (with existing and/or new Lenders), subject to customary restrictions consistent with the Documentation Precedent.

Assignments to the Sponsors and their respective affiliates (other than the Borrower and its subsidiaries) (each, an “*Affiliated Lender*”) shall be permitted subject to customary restrictions consistent with the Documentation Precedent.

Non-Pro Rata Repurchases:

The Borrower and its subsidiaries may purchase from any Lender, at individually negotiated prices, outstanding principal amounts or commitments under the CPLV Mezz Facility in a non-pro rata manner; *provided* that (i) the purchaser shall make a representation to the seller at the time of assignment that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the seller or Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any commitments or loans so repurchased shall be immediately cancelled and (iii) no default or event of default exists or would result therefrom.

Expenses and Indemnification:

Consistent with the Documentation Precedent.

Regulatory Matters:

Customary for facilities of this type and consistent with the

Documentation Precedent.

Governing Law and Forum: New York.

Counsel to Agent: [].

SEPARATION SHEET

SUMMARY OF TERMS

Management and Lease Support Agreement (“MLSA”)¹

between CEC, Manager, Landlord and Tenant in connection with the Leases (all as hereinafter defined)

CEC:	Caesars Entertainment Corporation, a Delaware corporation
Manager:	A wholly-owned subsidiary of CEC, as manager of the Facilities under the MLSA
Landlord:	[Propco] collectively together with its subsidiaries that own the Facilities (as defined in the Leases), as landlord under the Leases
Tenant:	[Opco/CEOC] collectively together with certain of its subsidiaries, as tenant under the Leases
Leases:	(1) A certain lease of various facilities (other than Caesars Palace Las Vegas) between Landlord and Tenant and (2) a certain lease of Caesars Palace Las Vegas between Landlord and Tenant
Term:	The MLSA commences on the date the Leases commence. The MLSA automatically terminates with respect to any Facility if such Facility is no longer demised under a Lease. The Term of the MLSA expires with respect to each Lease upon the earlier to occur of (1) the date that none of the Facilities are demised under such Lease, (2) Tenant and Landlord terminate the MLSA with respect to such Lease, (3) termination in connection with a Tenant Foreclosure (pursuant to option 1 in the following paragraph) and (4) the termination of such Lease (pursuant to “Lease Termination” below).
Tenant Foreclosure:	If Tenant’s lender (or senior-most lender, if more than one) has a valid lien on the leasehold estate under the Leases or on the direct or indirect equity in the Tenant, whether by mortgage, equity pledge or otherwise, and duly forecloses on such lien following an Event of Default under Tenant’s financing, such lender shall, in connection with and as a condition to effectuating such Tenant Foreclosure, irrevocably elect one of the following: (1) with the consent of Landlord and Manager, to terminate the

¹ MLSA to consist of the two separate agreements on same terms to correspond to the two separate leases. Agreements to have same terms other than as specified herein.

	<p>MLSA and, in connection with such termination, directly operate the Facilities pursuant to the terms of the Leases, or obtain a replacement operator to operate the Facilities or (2) to retain Manager as operator of the Facilities pursuant to the terms of the MLSA and keep the MLSA in full force and effect in accordance with its terms.</p>
REIT Management:	<p>The MLSA shall include, inter alia, the following terms:</p> <ul style="list-style-type: none"> • Operations management provisions pursuant to which Manager will manage the Facilities in its business judgment on customary terms for affiliated management of properties currently managed by CEOC • All direct expenses for operating the Facilities will be reimbursed by Tenant (including, without limitation, fees and expenses allocated to Manager and/or Tenant for the Facilities under arrangements with Caesars Enterprise Services, LLC (“CES”)). Manager will enter into separate shared services arrangements with CES for access to its services (including without limitation use of the Total Rewards® program) for the benefit of the Facilities. • Manager may delegate duties under the MLSA to one or more affiliates and/or third parties on customary terms.
CEC Guaranty:	<p>Pursuant to the MLSA, CEC will guaranty all monetary obligations of Tenant under the Leases, subject to the following terms:</p> <ul style="list-style-type: none"> • CEC will have no liability with respect to the Leases unless an “Event of Default” is continuing under the Leases. • No “Event of Default” under the Leases shall exist, and CEC shall have no liability with respect to the Leases, unless (1) CEC was given notice of the applicable default of Tenant under the Leases, and (2) CEC was given an opportunity to cure such default and failed to do so within ten (10) business days (with respect to a monetary default) or thirty (30) days (with respect to a non-monetary default) after Tenant’s deadline to cure such default (or, if later, after CEC’s receipt of such notice from Landlord), as the case may be. • CEC will have no liability with respect to a Lease unless the MLSA is in full force and effect and Manager remains the operator of the Facilities subject to such Lease pursuant to the terms of the MLSA.
Lease Termination:	<p>The MLSA shall automatically terminate with respect to a Lease</p>

	upon the termination of such Lease for any reason, including without limitation in connection with a Landlord or Tenant default, foreclosure or rejection in bankruptcy by any party. All obligations of CEC and Manager under the MLSA shall automatically terminate upon such Lease termination.
Integrated Agreement:	For the avoidance of doubt, each of the provisions constituting the MLSA, including the management obligations of Manager and the guaranty obligations of CEC, are and are intended to be part of a single integrated agreement and shall not be deemed to be separate or severable agreements.

SEPARATION SHEET

LEASE TERM SHEET

Note: It is currently anticipated that the real estate assets of the subsidiaries of a newly-formed Delaware limited partnership (“Propco”) will be leased to subsidiaries of “Opco” (defined below) pursuant to two separate leases. One lease (the “Lease”)¹ will include all “Facilities” (defined below) other than Caesars Palace Las Vegas (“CPLV”). The other lease (the “CPLV Lease”) will only include CPLV. To the extent that a term below does not differentiate between the Lease and the CPLV Lease, such term shall be included in both leases.

Landlord	<p>With respect to the Lease, all of the subsidiaries of Propco that own the “Facilities” (as defined below).</p> <p>With respect to the CPLV Lease, a subsidiary of Propco that owns CPLV (including any subsidiary thereof that owns a portion of CPLV) (“CPLV Landlord”).</p> <p>[Insert Schedule of Landlord entities]</p>
Tenant	<p>With respect to the Lease, subsidiaries of Caesars Entertainment Operating Company (“CEOC” or “Opco”) necessary for the operation of the Facilities, including license holders with respect thereto.</p> <p>With respect to the CPLV Lease, subsidiaries of CEOC necessary for the operation of CPLV, including license holders with respect thereto.</p> <p>[Insert Schedule of Tenant entities]</p>
Guaranty/ MLSA	<p>Caesars Entertainment Corporation (“CEC”), a wholly-owned subsidiary of CEC (“Manager”), Opco and Propco will enter into a Management and Lease Support Agreement with respect to each of the Lease and the CPLV Lease (each, an “MLSA”), pursuant to which (i) Manager will manage the Facilities on behalf of Opco and (ii) CEC will provide a guaranty in respect of Opco’s obligations under each lease.</p> <p>The CEC guaranty shall provide that:</p> <p>1) CEC shall have notice and cure rights under the Lease and the CPLV Lease in the event of a default by Tenant. CEC shall have 10 business days (with respect to a monetary default) and thirty 30 days (with respect to a non-monetary default) after Tenant’s deadline to cure such default (or, if later, after CEC’s receipt of such notice from Landlord), as the case may be.</p> <p>2) CEC obligations with respect to the Lease and the CPLV Lease only exist in the event that the applicable lease remains in full force and effect and</p>

¹ TBD whether the Lease will be structured as several individual leases.

	<p>Manager remains the manager of the applicable Facilities pursuant to the terms of the applicable MLSA. If the Lease or the CPLV Lease, as applicable, is terminated for any reason, the MLSA (and CEC’s obligations thereunder) automatically terminates with respect to such lease.</p>
Leased Property ²	<p>With respect to the Lease, all of the real property interest in the facilities (the “Facilities”) described on Exhibit _____ attached hereto, including all buildings and structures located thereon.</p> <p>With respect to the CPLV Lease, all of the real property interest in CPLV, as described on Exhibit _____ attached hereto, including all buildings and structures located thereon.</p>
Term	<p>15 year initial term (the “Initial Term”).</p> <p>Four 5-year renewal terms (each, a “Renewal Term”) to be exercised at Tenant’s option by notifying Landlord (i) no earlier than 18 months prior to the then-current expiration and (ii) no later than 12 months prior to the then-current expiration.</p> <p>The Term with respect to any Leased Property shall not exceed 80% of the useful life of such Leased Property. Any Leased Property not meeting such requirement shall, at Tenant’s option, (i) be excluded from the Leased Property, in which event Rent shall be reduced by the Rent Reduction Adjustment (as defined below) with respect to such Leased Property or (ii) be subject to a shorter Term than the other Leased Property that satisfies such requirements.</p> <p>The “Rent Reduction Adjustment” with respect to a Facility shall mean (i) with respect to the Base Rent, a proportionate reduction of the Base Rent based on the EBITDAR of such Facility versus the EBITDAR of all the Facilities and (ii) with respect to Percentage Rent, a reduction of the then current dollar amount based on excluding the Net Revenue of the applicable Facility from the Percentage Rent formula on a pro forma basis.</p>
Rent	<p>With respect to the Lease, \$475,000,000 per Lease year for the initial year. Such amount shall be comprised of the following:</p> <ol style="list-style-type: none"> 1) \$237,500,000 Base Rent and 2) \$237,500,000 Percentage Rent. <p>With respect to the CPLV Lease, \$160,000,000 per Lease year. Such amount shall be comprised of the following:</p> <ol style="list-style-type: none"> 1) \$128,000,000 Base Rent and 2) \$32,000,000 Percentage Rent. <p>“Rent” means the sum of Base Rent and Percentage Rent.</p>

² 3 golf courses, undeveloped land and Blue Grass Downs will also be included in the Lease.

	<p>“Percentage Rent” means the sum set forth below in the Percentage Rent section.</p>
Base Rent	<p>Base Rent will be subject to an annual escalator equal to the lower of 2% and the Consumer Price Index (“CPI”) increase with respect to such year, above the previous lease year’s Base Rent.</p>
Percentage Rent	<p>With respect to the Lease, \$237,500,000 per year for the first Lease Year; provided, however, that Percentage Rent for the Facilities shall be adjusted upward or downward annually to a fixed annual amount equal to the Percentage Rent for the prior Lease Year plus or minus (i) in the event that the Net Revenue with respect to the Facilities for the most recently-concluded Lease Year has increased versus the Net Revenue for the Lease Year prior to the most recently-concluded Lease Year (such increase, the “Non-CPLV Increase”) , Percentage Rent shall increase by the product of (a) 32.5% and (b) the Non-CPLV Increase and (ii) in the event that the Net Revenue with respect to the Facilities for the most recently-concluded Lease Year has decreased versus the Net Revenue for the Lease Year prior to the most recently-concluded Lease Year (such decrease, the “Non-CPLV Decrease”), Percentage Rent shall decrease by the product of (a) 32.5% and (b) the Non-CPLV Decrease.</p> <p>With respect to the CPLV Lease, \$32,000,000 per year for the first Lease Year; provided, however, that Percentage Rent for the CPLV Facility shall be adjusted upward or downward annually to a fixed annual amount equal to the Percentage Rent for the prior Lease Year plus or minus (i) in the event that the Net Revenue with respect to the CPLV Facility for the most recently-concluded Lease Year has increased versus the Net Revenue for the Lease Year prior to the most recently-concluded Lease Year (such increase, the “CPLV Increase”), Percentage Rent shall increase by the product of (a) 13% and (b) the CPLV Increase and (ii) in the event that the Net Revenue with respect to the CPLV Facility for the most recently-concluded Lease Year has decreased versus the Net Revenue for the Lease Year prior to the most recently-concluded Lease Year (such decrease, the “CPLV Decrease”), Percentage Rent shall decrease by the product of (a) 13% and (b) the CPLV Decrease.</p> <p>“Net Revenue” means: the sum of, without duplication, (i) the amount received by Tenant from patrons at any Facility for gaming, less refunds and free promotional play provided pursuant to a rewards program, and less amounts returned to patrons through winnings at any Facility; and (ii) the gross receipts of Tenant for all goods and merchandise sold, the charges for all services performed, or any other revenues generated by Tenant; less (iii) the retail value of accommodations, food and beverage, and other services furnished without charge to guests of Tenant.</p>
Rent Allocation	<p>Rent will be allocated under section 467 of the Code and regulations</p>

	thereunder on a declining basis within the 115/85 safe harbor.
Triple Net Lease	Subject to the provision below regarding Landlord’s reimbursement to Tenant of capital expenditures (the “Capex Reimbursement”), the Leases will be absolute, traditional triple net leases. Tenant shall pay all Rent absolutely net to Landlord, without abatement, and unaffected by any circumstance (except as expressly provided below in the cases of casualty and condemnation and the Capex Reimbursement). Subject to the Capex Reimbursement, Tenant will assume complete responsibility for the condition, operation, repair, alteration and improvement of the Facilities, for compliance with all legal requirements (whether now or hereafter in effect) including, without limitation, all environmental requirements first arising after the effective date of the Lease, and for payment of all costs and liabilities of any nature associated with the Facilities, including, without limitation, all impositions, taxes, insurance and utilities, and all costs and expenses relating to the use, operation, maintenance, repair, alteration and management thereof.
Expenses, Maintenance, Repairs and Maintenance Capital Expenditures, Minor Alterations	<p>Tenant shall be responsible for the maintenance and repair of the Leased Premises (including capital expenditures with respect thereto); provided, however, that Landlord shall reimburse to Tenant an annual amount in respect of capital expenditures incurred by Tenant with respect to the Leased Premises of \$78.0 million per Lease Year in the aggregate (with such amount (i) increasing annually by the same percentage increase as the Base Rent increase, (ii) increasing proportionately upon the acquisition of any additional property that is owned by Landlord and leased to Tenant (or CEC’s designee) and (iii) decreasing proportionately upon any Facility ceasing to be Leased Premises pursuant to the terms of the Leases). In the event that Landlord does not reimburse Tenant for such costs within 30 days after Tenant’s request therefor, Tenant shall have the right to deduct such sums from subsequent installments of Rent.</p> <p>Tenant must expend sums for capital expenditures relating to the Facilities in an annual amount equal to the greater of \$78,000,000.00 and 1% of the Net Revenue derived from the Facilities.</p> <p>Tenant shall be permitted to make any alterations and improvements (including Material Alterations (defined below)) to the Facilities in its reasonable discretion; provided, however, that (i) Material Alterations must be of equal or better quality than the applicable existing Facility and (ii) Material Alterations do not have an adverse effect on the structural integrity of any other portion of the Leased Premises. If any alteration does not meet the standards of (i) and (ii) above, then such alteration shall be subject to Landlord’s approval (not to be unreasonably withheld or delayed).</p>
Material Alterations; Growth Capex; Development of Undeveloped Land	In the event that Tenant elects to (i) materially alter a Facility, (ii) expand a Facility or (iii) develop the undeveloped land leased pursuant to the Lease and the cost of such activity described in clauses (i) through (iii) exceeds \$50,000,000 (collectively, a “Material Alteration”), Tenant shall notify Landlord of such Material Alteration. Within 10 business days of receipt of a notification of a Material Alteration, Landlord shall notify Tenant as to

	<p>whether it will fund such proposed Material Alteration and, if so, the terms and conditions upon which it would do so. Tenant shall have 10 days to accept or reject Landlord’s funding proposal. If Landlord declines to fund a proposed Material Alteration, Tenant shall be permitted to secure outside financing or utilize then existing available financing.</p> <p>If Landlord agrees to fund the Material Alteration and Tenant rejects the terms thereof, Tenant shall be permitted to either use then existing available financing or seek outside financing for such Material Alteration, in each case on terms that are economically more advantageous to Tenant than offered under Landlord’s funding proposal. If Tenant constructs a Material Alteration with its then existing available financing or outside financing, (i) during the Term, such Material Alteration shall be deemed part of the Leased Property solely for the purpose of calculating Percentage Rent and shall for all other purposes be Tenant’s property and (ii) following expiration or termination of the Term, such Material Alteration shall be Tenant’s property but Landlord shall have the option to purchase such property for fair market value. If Landlord agrees to fund a proposed Material Alteration and Tenant accepts the terms thereof, such Material Alteration shall be deemed part of the Leased Property for all purposes and, prior to any advance of funds, Tenant and Landlord shall enter into the agreements necessary to effectuate the applicable terms (including, without limitation, an amendment to the Lease if the terms of such financing are structured as a Rent increase).</p>
<p>Right of First Refusal</p>	<p><u>Landlord Right of First Refusal:</u></p> <p>Prior to consummating a transaction whereby Landlord or any of its affiliates will own, operate or develop a domestic (U.S.) gaming facility outside of Las Vegas, Nevada (either existing prior to such date or to be developed) that is not then subject to a pre-existing lease or management agreement in favor a third-party operator that was not entered into in contemplation of such acquisition or development, Landlord shall notify Tenant and CEC of the subject opportunity. CEC (or its designee) shall have the right to lease (and Manager manage) such facility, and if such right is exercised Landlord and CEC (or its designee) will structure such transaction in a manner that allows the subject property to be owned by Landlord and leased to CEC (or its designee). In such event, CEC (or its designee) shall enter into a lease with respect to the additional property whereby (i) rent thereunder shall be established based on formulas consistent with the EBITDAR coverage ratio with respect to the Lease then in effect (the “Allocated Rent Amount”) and (ii) such other terms that CEC (or its designee) agree upon shall be incorporated. In the event that the foregoing right is not exercised by CEC (or its designee), Landlord (or an affiliate thereof) shall have the right to consummate the subject transaction without Tenant’s and/or CEC’s involvement.</p> <p><u>Tenant Right of First Refusal:</u></p> <p>Prior to consummating a transaction whereby Tenant or any of its affiliates (provided, however, that this provision will not apply to CEC or its affiliates</p>

	<p>if the MLSA has been terminated or CEC (or an affiliate thereof) is otherwise no longer managing the Facilities) will own, operate or develop a domestic (U.S.) gaming facility outside of Las Vegas, Nevada (either existing prior to such date or to be developed) that is not subject to a lease or management agreement in favor a third-party operator that was not entered into in contemplation of such acquisition or development, Tenant shall notify Landlord of the subject opportunity. Landlord shall have the right to own such facility and lease it to Tenant, and if Landlord exercises such right then Tenant and Landlord will structure such transaction in a manner that allows the subject property to be owned by Landlord and leased to Tenant (and be managed by Manager). In such event, Tenant and Landlord shall amend the Lease by (i) adding the additional property as Leased Property, (ii) increasing Rent by the Allocated Rent Amount with respect to such property and (iii) incorporating such other terms that Tenant and Landlord have agreed to. In the event that Landlord declines its right to own the facility, Tenant (or an affiliate thereof) shall have the right to consummate the subject transaction without Landlord’s involvement.</p>
<p>Permitted Use</p>	<p>Tenant shall use the Leased Property for hotel, gaming, entertainment, conference, retail and other uses consistent with its current use, or with prevailing industry use.</p>
<p>Landlord Sale of Properties</p>	<p>Landlord shall not transfer any portion of the Leased Property without the prior written consent of Tenant. Notwithstanding the foregoing, Tenant’s consent shall not be required for (A) any transfer in connection with a foreclosure (or deed in lieu of foreclosure) under a Landlord Financing (as per below), (B) a sale by Landlord of all of the Leased Property to a single buyer or group of buyers, (C) a merger transaction or sale by Landlord involving all of the Facilities, or (D) a sale of all the Facilities to an affiliate of Landlord or a joint venture entity in which Landlord or its affiliate is the managing member. All Landlord transactions (i) shall be subject to the terms of the Tax Protection Agreement entered into in connection with the restructuring of CEOC and (ii) shall be subject to all necessary regulatory approval.</p> <p>The Lease shall survive any such assignment or transfer by Landlord and the successor Landlord shall become a party thereto.</p>
<p>Assignment by Tenant</p>	<p>Tenant will not have the right to directly assign portions of the Lease, however, various assignments will be permitted, including:</p> <ol style="list-style-type: none"> 1) An assignment of the entire Lease to an entity that meets meets various thresholds (to be set forth in the Lease) relating to the ability of such entity to operate the Facilities. 2) An assignment to a permitted lender (described in further detail below) and any assignment occurring due to a foreclosure relating thereto (and an assignment from the purchaser at a foreclosure sale to a subsequent purchaser). Upon foreclosure, the foreclosing lender must engage an “acceptable operator” (satisfying parameters to be set forth in the Leases with respect to, among other things, gaming and other appropriate

	<p>operational experience and qualification) to operate the Facilities, unless the MLSA will be kept in place and CEC (or the Manager) will continue to manage the facilities in accordance with the MLSA.</p> <p>3) An assignment to an affiliate of Tenant, to CEC or an affiliate of CEC.</p> <p>4) Any sublease of any portion of the premises, so long as Tenant is not released from its obligations under the Lease.</p> <p>Additionally, certain transfers of direct and indirect interests in Tenant will be permitted, including:</p> <p>1) Transfers of stock in Tenant or its parent(s) on a nationally-recognized exchange.</p> <p>2) Changes of control due to the reconfiguration of the Board of Directors of Tenant’s parent(s).</p> <p>3) Transfers of interests in Tenant that do not cause a change in control of Tenant (to be defined as any person other than a “permitted holder” obtaining a majority of the voting power in respect of the Tenant stock).</p> <p>[Additional permitted transfers to be provided in definitive documentation]</p>
Landlord Financing	<p>Landlord may finance its interest in the Leased Property pursuant to requirements to be set forth in the Lease (including, without limitation, as contemplated by the Propco and CPLV debt term sheets); provided, however, that any Landlord financing shall be conditioned upon the execution by the applicable lender of a nondisturbance agreement in favor of Tenant. Such SNDA shall provide that the applicable lease shall survive any Landlord foreclosure or debt default and neither Tenant nor Landlord or its lenders or assignees shall have termination rights under the applicable lease in respect thereof (absent a lease Event of Default, as per below).</p> <p>Tenant will comply with affirmative covenants in Landlord’s financing documents regarding operation of the Facilities (subject to Tenant’s satisfaction with such requirements at the closing); provided, that such obligation will not (i) increase Tenant’s monetary obligations, (ii) adversely increase Tenant’s non-monetary obligations or (iii) diminish Tenant’s rights, in each case under the Lease.</p>
Tenant Financing	<p>Tenant shall be permitted to obtain the financing contemplated by the [RSA-document title to be included once final], and any refinancing/replacements thereof. The lender under such Tenant financing (i) shall be given notice of a default under the Lease and (ii) shall be afforded a right to cure any applicable Tenant default, (iii) shall, upon an early termination or rejection of the Lease, be given the opportunity to enter into a replacement lease (on terms consistent with the Lease) and (iv) shall be afforded other customary leasehold mortgagee protections.</p> <p>Such mortgagee protections shall provide that the leases shall survive any Tenant foreclosure or debt default and neither Landlord nor Tenant or its lenders or assignees shall have termination rights under the Lease in respect thereof (absent a lease Event of Default, as per below).</p>

	<p>Upon foreclosure, the foreclosing lender must engage an “acceptable operator” (satisfying parameters to be set forth in the Leases with respect to, among other things, gaming and other appropriate operational experience and qualification) to operate the Facilities, unless the MLSA will be kept in place and CEC (or the Manager) will continue to manage the facilities in accordance with the MLSA.</p>
Financial Statements of Tenant	<p>Tenant shall provide to Landlord quarterly and annual audited financial statements that are required by the REIT public reporting obligations, prepared in accordance with applicable securities law requirements, including as to format and timing, and shall consent to the inclusion of such financial statements in all public or private disclosure and offering documents of Propco and the REIT required by applicable law.</p>
Casualty	<p>In the event of a casualty with respect to a Facility that has a repair cost in excess of 25% of the total fair market value of the applicable Facility as determined by a mutually acceptable architect or contractor, Tenant shall have the right at its option to (a) terminate the CPLV Lease if the affected Facility is CPLV or (b) terminate the Lease only with respect to the affected Facility if the affected Facility is leased pursuant to the Lease. If such termination occurs, Rent under the Lease shall be reduced by the Rent Reduction Amount with respect to the applicable Facility. In such event of a termination with respect to a Facility, Landlord shall be entitled to the insurance proceeds relating to the Leased Premises and Tenant shall be entitled to the insurance proceeds relating to its property. In the event that a Facility is not excluded from the Lease due to a casualty, Tenant shall be entitled to all insurance proceeds with respect to the subject casualty, subject to the terms of Landlord’s financing documents; provided, however, that if all insurance proceeds are not made available to Tenant, then Tenant shall have the option to either (i) terminate the Lease with respect to the applicable Facility or (ii) rebuild to the extent possible with remaining proceeds (with reduced rent to apply to the reduced Facility), unless Landlord reimburses to Tenant the proceeds shortfall. In addition, Rent shall abate (in accordance with the Rent Reduction Amount) with respect to the applicable Facility during the rebuilding period.</p>
Condemnation	<p>If substantially all of the CPLV Facility is taken, then the CPLV Lease will terminate. If substantially all of any individual Facility under the Lease is taken, then the Lease will terminate as to such individual Facility, and the Rent shall be reduced by the Rent Reduction Amount with respect to the applicable Facility. In any such case (when the Lease is terminated in whole or in part), the applicable award will be distributed, first to Landlord in payment of the fair market value of Landlord’s interest in the applicable Facilities, then to Tenant in payment of the fair market value of the Tenant’s property which was so taken, and the balance of the award if any, to Landlord. In the case of a partial condemnation, the applicable Lease will continue unabated except that Rent shall be adjusted in proportion to the portion of the Facility which was taken (based on a mechanic to be set forth in the Leases).</p>

Events of Default	<p>Standard events of default including failure to pay monetary sums and failure to comply with the covenants set forth in the Lease. With respect to monetary defaults, Tenant shall be entitled to notice and a 10 day cure period. With respect to non-monetary defaults, Tenant shall be entitled to notice and, so long as Tenant (i) commences to cure within 30 days after receipt of notice and (ii) continues to diligently cure the applicable default, the applicable non-monetary default shall not become an Event of Default. All cure rights pursuant to an MLSA shall be recognized by Landlord.</p> <p>A default under the Lease shall not be considered a default under the CPLV Lease. Additionally, a default under the CPLV Lease shall not be considered a default under the Lease.</p> <p>Any default by Tenant (with respect to a Tenant Financing) or Landlord (with respect to a Landlord Financing) shall not be considered a default under the leases.</p>
Remedies upon Event of Default	<p>If Landlord elects a termination remedy due to a Tenant default, the Rent under the applicable Lease shall not be accelerated. Tenant shall be liable for any Rent which accrued and was unpaid at the time of the termination. Landlord shall have the obligation to mitigate damages by using diligent efforts to relet the Leased Property for the highest rent amount available given then-current market conditions.</p>
Effect of Lease Termination:	<p>If a Lease is terminated for any reason, at Landlord's option Tenant shall stay in possession and continue to operate the business in the same manner as prior practice (for a period not to exceed 2-years) while the identity of a successor tenant is determined. The foregoing obligation shall not apply if CEC is not managing the Facilities at such time on behalf of Tenant.</p>
REIT Provisions	<p>Each lease shall contain certain provisions required to satisfy REIT-related requirements applicable to Landlord, including:</p> <ul style="list-style-type: none"> -Tenant shall not sublet, assign or enter into any management arrangements pursuant to which subtenant rent would be based on net income or profits of the subtenant. -Landlord shall have the right to assign the leases to another person (e.g., a taxable REIT subsidiary) in order to maintain landlord's REIT status. -Tenant shall be obligated to provide information to Landlord necessary to verify REIT compliance.
Regulatory	<p>Landlord and Tenant shall comply with all applicable regulatory requirements. The leases shall be severable with respect to any Facility in the event necessary to comply with any applicable licensing or regulatory requirements. If a Facility is severed, Rent shall be reduced by the Rent Reduction Adjustment with respect to such Facility.</p>

Governing Law

New York, however, all remedies shall be governed by the state in which the applicable Facility is located.

SEPARATION SHEET

CAESARS - MATERIAL DISCUSSION ITEMS (11/26/2014)

ISSUE	CEC POSITION	1L NOTEHOLDER POSITION
LEASE	<ul style="list-style-type: none"> ■ Guaranty – Full ■ Rent – TBD ■ Termination – Automatic termination of Guaranty upon termination of Lease, for any reason 	<ul style="list-style-type: none"> ■ Guaranty – Full ■ Rent – Base rent of \$635MM with adjustments similar to Penn / GLPI for both CPLV and other properties, no modifications of rent for first five years ■ Termination – Guaranty cannot be terminated upon Lease termination
CPLV FINANCING	<ul style="list-style-type: none"> ■ 1L Creditors backstop financing shortfall at below market interest rates 	<ul style="list-style-type: none"> ■ CEC to backstop \$2.6BN CPLV financing at 4.0%
ADEQUATE PROTECTION	<ul style="list-style-type: none"> ■ Adequate protection payments for 1L Creditors at LIBOR + 150 bps 	<ul style="list-style-type: none"> ■ Company and 1L Creditors to agree on a Budget. Adequate protection payments shall be made on a monthly basis and calculated as the greater of (a) cash generated in excess of that Budget and (b) a specified rate that the Company's current projections would support (approximately 6.0% based on current run rate) <ul style="list-style-type: none"> – At Exit, CEC's contribution is subject to increase (in the event the Company has underperformed relative to Budget) to fund all cash obligations at Exit (including \$1,087MM to 1L Creditors) and to ensure there is adequate cage cash at OpCo
NON-1L CREDITOR EQUITY RIGHTS	<ul style="list-style-type: none"> ■ Non-1L Creditors to have right to purchase PropCo equity from 1L Noteholders at 13.3x plan value 	<ul style="list-style-type: none"> ■ Non-1L Creditors should have the right to purchase units representing the package of securities (OpCo 1L and 2L debt, PropCo 1L and 2L debt, PropCo equity) received by 1L Noteholders <ul style="list-style-type: none"> – Value of equity in package adjusted so that recoveries equal 1L Noteholders' principal plus accrued interest
PREFERRED EQUITY	<ul style="list-style-type: none"> ■ Concept removed 	<ul style="list-style-type: none"> ■ \$200-400MM on terms acceptable to the 1L Noteholder Steering Committee
CAPITAL EXPENDITURES	<ul style="list-style-type: none"> ■ PropCo to assume \$78MM of CapEx 	<ul style="list-style-type: none"> ■ CapEx allocation consistent with triple-net lease underlying public REIT structures <ul style="list-style-type: none"> – OpCo and / or CEC to be responsible for CapEx requirements for the properties and Services Co. / Corporate
PROP CO INTEREST RATES	<ul style="list-style-type: none"> ■ 1L – LIBOR + 3.5% ■ 2L – 7.0% 	<ul style="list-style-type: none"> ■ To be determined by 1L Noteholder Steering Committee to optimize blended recovery

Note: This contains only a summary of certain material issues that must be resolved to the 1L Noteholders' satisfaction to effectuate a consensual restructuring. Nothing herein should be construed as an acceptance by the 1L Noteholders of any of the other terms of any of the term sheets that are currently being negotiated. All rights to comment on those term sheets and to identify additional issues are hereby reserved.

SEPARATION SHEET

**DRAFT - Privileged & Confidential
Prepared at the Direction of Counsel
For Settlement Purposes Only**

Project Julii Term Sheet Material Discussion Items

December 1st, 2014

Term Sheet Issues

Issue	CEC Position	1L Noteholder Position	CEC Response
Lease	<ul style="list-style-type: none"> ▶ Guaranty – Full ▶ Rent – TBD ▶ Termination – Automatic termination of Guaranty upon termination of Lease, for any reason 	<ul style="list-style-type: none"> ▶ Guaranty – Full ▶ Rent – Base rent of \$635MM with adjustments similar to Penn / GLPI for both CPLV and other properties, no modifications of rent for first five years ▶ Termination – Guaranty cannot be terminated upon Lease termination 	<ul style="list-style-type: none"> ▶ Adjustment – Penn for CPLV (78/22) and 60/40 for regional (as opposed to 50/50 proposal) ▶ Termination – Linked to management. Can sue for damages in event of default
CPLV Financing	<ul style="list-style-type: none"> ▶ 1L Creditors backstop financing shortfall at below market interest rates 	<ul style="list-style-type: none"> ▶ CEC to backstop \$2.6bn CPLV financing at 4.0% 	<ul style="list-style-type: none"> ▶ Deal with Banks: \$2 billion of the \$2.6 billion needs to be sold to the market or else the deal terminates ▶ Proposal to Bonds: CEOC should be entitled to sell debt up to 9% interest rate to meet this \$2 billion condition ▶ If CEOC cannot sell to the market, the creditors would receive the debt at this rate (9%)
Adequate Protection	<ul style="list-style-type: none"> ▶ Adequate protection payments for 1L Creditors at LIBOR + 150 bps 	<ul style="list-style-type: none"> ▶ Company and 1L Creditors to agree on a Budget. Adequate protection payments shall be made on a monthly basis and calculated as the greater of (a) cash generated in excess of that Budget and (b) a specified rate that the Company's current projections would support (approximately 6.0% based on current run rate) <ul style="list-style-type: none"> • At Exit, CEC's contribution is subject to increase (in the event the Company has underperformed relative to Budget) to fund all cash obligations at Exit (including \$1,087mm to 1L Creditors) and to ensure there is adequate cage cash at OpCo 	<ul style="list-style-type: none"> ▶ 1.5%

Term Sheet Issues (Cont'd)

Issue	CEC Position (11.23.14)	1L Noteholder Position (11.26.14)	CEC Response (12.01.14)
Non-1L Creditor Equity Rights	<ul style="list-style-type: none"> ▶ Non-1L Creditors to have right to purchase PropCo equity from 1L Noteholders at 13.3x plan value 	<ul style="list-style-type: none"> ▶ Non-1L Creditors should have the right to purchase units representing the package of securities (OpCo 1L and 2L debt, PropCo 1L and 2L debt, PropCo equity) received by 1L Noteholders <ul style="list-style-type: none"> • Value of equity in package adjusted so that recoveries equal 1L Noteholders' principal plus accrued interest 	<ul style="list-style-type: none"> ▶ Non-1L can purchase at plan value
Preferred Equity	<ul style="list-style-type: none"> ▶ Concept removed 	<ul style="list-style-type: none"> ▶ \$200-400MM on terms acceptable to the 1L Noteholder Steering Committee 	<ul style="list-style-type: none"> ▶ Eliminated
Capital Expenditures	<ul style="list-style-type: none"> ▶ PropCo to assume \$78MM of CapEx 	<ul style="list-style-type: none"> ▶ CapEx allocation consistent with triple-net lease underlying public REIT structures <ul style="list-style-type: none"> • OpCo and / or CEC to be responsible for CapEx requirements for the properties and Services Co. / Corporate 	<ul style="list-style-type: none"> ▶ \$78 million reimbursement <ul style="list-style-type: none"> • As CEOC FCF grows from first year FCF, 50 cents of each additional \$1 of FCF will go to reduce the amount that can be reimbursed. Will be measured every year and can adjust up or down, but never go above the level of the current proposal
PropCo Interest Rates	<ul style="list-style-type: none"> ▶ 1L – LIBOR + 3.5% ▶ 2L –7.0% 	<ul style="list-style-type: none"> ▶ To be determined by 1L Noteholder Steering Committee to optimize blended recovery 	<ul style="list-style-type: none"> ▶ L+3.5% and 7%
Termination Fee	<ul style="list-style-type: none"> ▶ None 	<ul style="list-style-type: none"> ▶ \$600MM if (a) the Company either terminates the Restructuring Support Agreement or (b) the Company or CEC breaches any representations, warranties or covenants in the Restructuring Support Agreement 	<ul style="list-style-type: none"> ▶ None

SEPARATION SHEET

CEOC Cash

December 1, 2014

Year End Cash Forecast

CEOC Cash Walk

(\$ in millions)

	Q3 2014	Q4 2014
Beginning Cash (ex-Chester cash)	\$2,100	\$1,420
EBITDA ⁽¹⁾	225	173
(-) Capex and investments	(58)	(75)
(-) Interest Expense ⁽³⁾	(385)	(336)
(+) Interest Income	2	1
(-) Non-Operating Cash Flows	(10)	(11)
(-) Working Capital / Other ⁽⁶⁾	(50)	(92)
(+) New Debt & Equity Issues (B-7)	1,519	-
(-) Debt Repayment/Amort (15/16/17 notes)	(1,922)	(28) ⁽³⁾
(+) Asset Sales, Purchases & Other	-	31 ⁽⁵⁾
(-) Adequate Protection Payments	-	-
Ending Cash Balance	\$1,420	\$1,083
(-) Minimum Cash ⁽⁴⁾	(300)	(300)
Excess Cash Balance	\$1,120	\$783

(1) Includes EBITDA from wholly owned assets

(2) 2014 financials PF for 2015 cost savings and other initiatives

(3) Excludes December 2L interest payment and 2L mandatory amortization. Includes \$117 of 11.25% 1L payment (Dec. 1)

(4) Estimated cage cash / property cash that cannot be distributed for regulatory reasons

(5) Punta payment (10/8/2014)

(6) Includes professional fees and other non-recurring items.

Cash Build During Bankruptcy

(\$ in millions)

Estimated year-end cash	\$1,083
(-) Minimum cash	(300)
Net excess cash balance	<u>\$783</u>
(-) Cash used in restructuring	(986)
Remaining cash available	<u>(\$203)</u>

Post-emergence interest profile

1L interest	\$185
2L interest	146
CPLV interest	104
Total annual interest	<u>\$435</u>

Professional Fees + Adequate Protection

Professional fees	\$400
Adequate Protection	176
Total	<u>\$576</u>

***Fees + adequate protection is greater than post-emergence interest*

Quarterly cash build

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
EBITDA	\$277	\$246	\$260	\$242	\$1,024
(-) Capex	(75)	(75)	(75)	(75)	(300)
(-) Other	(35)	(16)	(12)	(25)	(88)
Cash flow before prof fees / adequate protection	<u>\$166</u>	<u>\$155</u>	<u>\$173</u>	<u>\$142</u>	<u>\$636</u>
Estimated quarterly professional fees	(\$75)	(\$75)	(\$75)	(\$75)	(\$300)
Adequate protection (1.5%)	(\$44)	(\$44)	(\$44)	(\$44)	(\$176)
Net cash flow	<u>\$47</u>	<u>\$36</u>	<u>\$54</u>	<u>\$23</u>	<u>\$160</u>
Cumulative cash available	(\$156)	(\$120)	(\$66)	(\$43)	
Less: Fees at emergence			(\$100)	(\$100)	
Less: Min. liquidity			(\$100)	(\$100)	
Surplus / (deficit) at emergence			<u>(\$266)</u>	<u>(\$243)</u>	

Sensitivities: Cash At Emergence

Quarterly Professional Fees

(\$75)
 (\$85)
 (\$95)
 (\$105)
 (\$115)
 (\$125)

CEOC cash remaining

(\$266)	(\$243)
(\$296)	(\$283)
(\$326)	(\$323)
(\$356)	(\$363)
(\$386)	(\$403)
(\$416)	(\$443)

Annual Capex

(\$250)
 (\$275)
 (\$300)
 (\$325)
 (\$350)
 (\$375)
 (\$400)

CEOC cash remaining

(\$228)	(\$193)
(\$247)	(\$218)
(\$266)	(\$243)
(\$285)	(\$268)
(\$303)	(\$293)
(\$322)	(\$318)
(\$341)	(\$343)

EBITDA (annual)

\$1,024
 \$999
 \$974
 \$949
 \$924
 \$899
 \$874
 \$849
 \$824

vs Target

-
 (\$25)
 (\$50)
 (\$75)
 (\$100)
 (\$125)
 (\$150)
 (\$175)
 (\$200)

CEOC cash remaining

(\$266)	(\$243)
(\$285)	(\$268)
(\$303)	(\$293)
(\$322)	(\$318)
(\$341)	(\$343)
(\$360)	(\$368)
(\$378)	(\$393)
(\$397)	(\$418)
(\$416)	(\$443)

SEPARATION SHEET

COMPANY PROPOSALS FURNISHED DEC. 5.

ISSUES

1. Lease	<p>CPLV: 5 years fixed, 80/20 thereafter</p> <p>Non-CPLV: 2 years fixed. 60/40, annual reset years 2-5. 5 year reset after year 5 and mix goes up 10% to max of 80%</p>	<p>CPLV: 5 years fixed, 80/20 thereafter. Standard 2% or CPI escalator.</p> <p>Non-CPLV: 2.5 years fixed. 65/35, annual reset years 2.5-5. After year 5, reset goes to 80/20 and reset every 5 years.</p>
2. Adequate Protection	<p>\$250 million</p> <p>1.5% rate</p> <p>Whatever is 'leftover' at closing after paying sources and uses goes to deleverage OpCo and PropCo 50/50 (with PropCo going to repay junior CPLV debt)</p>	<p>\$275 million</p> <p>1.5% rate</p> <p>Whatever is 'leftover' at closing after paying sources and uses goes to deleverage OpCo and PropCo 33/67 (with PropCo going to repay junior CPLV debt)</p>
3. Capex	<p>\$78mm reduced by 50% of OpCo FCF above \$20mm baseline</p>	<p>\$78mm reduced by 50% of OpCo FCF above \$20mm baseline</p>
4. Equity	<p>100% available for purchase. 25 cents for every \$1 of equity used to reduce CPLV junior debt</p>	<p>100% available for purchase. 25 cents for every \$1 of equity used to reduce CPLV junior debt.</p> <p>Counsel to work together to structure appropriate exercise period.</p>
5. Termination Fee	<p>No (Agreed)</p>	<p>No (Agreed)</p>
6. Preferred	<p>Removed (Agreed). Will work collaboratively to structure some consent/backstop arrangement</p>	<p>Removed (Agreed). Will work collaboratively to structure some consent/backstop arrangement</p>
7. Interest rate on PropCo 2L	<p>8% (Agreed)</p>	<p>8% (Agreed)</p>
8. CPLV	<p>5% blended all in rate on \$2.6 billion</p> <p>Starting floor of \$2bn mortgage sold to third parties. Floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6bn starting amount. All deleveraging goes to reduce junior debt. 5% blend raised 50 bps for each \$100mm of deleveraging.</p> <p>Mezz allocated as proposed with rates from 8%-13% based on amount.</p>	<p>5% blended all in rate on \$2.6 billion</p> <p>Starting floor of \$2bn mortgage sold to third parties. Floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6bn starting amount. All deleveraging goes to reduce junior debt. 5% blend raised 50 bps for each \$100mm of deleveraging.</p> <p>Mezz allocated as proposed with rates from 8%-13% based on amount.</p>

SEPARATION SHEET

DEAL TERMS ISSUES LIST

CEC

PROPOSED 1L NOTEHOLDER RESPONSE

LEASE	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, 80/20 thereafter. Standard 2.0% or CPI escalator ■ Non-CPLV: 2.5 years fixed. 65/35, annual reset years 2.5 - 5. After year 5, reset goes to 80/20 and reset every 5 years 	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30 with standard escalator after year 3, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions
LEASE GUARANTY		<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager
ADDITIONAL CONTRIBUTION / ADEQUATE PROTECTION	<ul style="list-style-type: none"> ■ \$275MM ■ 1.5% rate ■ Whatever is "leftover" at closing after paying sources and uses goes to deleverage OpCo and PropCo 33/67 (with PropCo going to repay junior CPLV debt) 	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ Additional quarterly adequate protection cash flow sweep
CAPEX	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF above \$20MM baseline 	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as EBITDA less maintenance capex (\$145MM), less interest, less taxes)
EQUITY	<ul style="list-style-type: none"> ■ 100% available for purchase. 25 cents for every \$1 of equity used to reduce CPLV junior debt ■ Counsel to work together to structure appropriate exercise period 	<ul style="list-style-type: none"> ■ A portion available to purchase at plan value (willing to consider increase at a future point depending on 2L desire to purchase and 1L desire to sell). For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt ■ Counsel to work together to structure appropriate exercise period and procedures
TERMINATION FEE	<ul style="list-style-type: none"> ■ No 	<ul style="list-style-type: none"> ■ No
PREFERRED	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement 	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement
PROP Co 2L INTEREST RATE	<ul style="list-style-type: none"> ■ 8.0% 	<ul style="list-style-type: none"> ■ 8.0%
CPLV	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties. Floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6BN starting amount. All deleveraging goes to reduce junior debt. 5% blend raised 50bps for each \$100MM of deleveraging ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount 	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than 4.0%. Floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6BN starting amount. All deleveraging goes to reduce junior debt. ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount

SEPARATION SHEET

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DEAL TERMS ISSUES LIST

CEC	PROPOSED 1L NOTEHOLDER RESPONSE
<p>LEASE</p> <ul style="list-style-type: none"> ■ CPLV: 5 years fixed, 80/20 thereafter. Standard 2.0% or CPI escalator ■ Non-CPLV: 2.5 years fixed. 65/35, annual reset years 2.5 - 5. After year 5, reset goes to 80/20 and reset every 5 years 	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30 with standard escalator after year 3, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions
<p>LEASE GUARANTY</p>	<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager
<p>ADDITIONAL CONTRIBUTION / ADEQUATE PROTECTION</p> <ul style="list-style-type: none"> ■ \$275MM ■ 1.5% rate ■ Whatever is "leftover" at closing after paying sources and uses goes to deleverage OpCo and PropCo 33/67 (with PropCo going to repay junior CPLV debt) 	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ Additional quarterly adequate protection cash flow sweep 100% OF EXCESS AT END SWEEP TO PROPCO
<p>CAPEX</p> <ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF above \$20MM baseline 	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as EBITDA less income tax CONSTANT CAPEX (\$145MM), less interest, less taxes) w/ CA DEF. GO NO DOUBLE COUNTING. \$10MM 'DETAILED' RATHER THAN \$20MM
<p>EQUITY</p> <ul style="list-style-type: none"> ■ 100% available for purchase. 25 cents for every \$1 of equity used to reduce CPLV junior debt ■ Counsel to work together to structure appropriate exercise period 	<ul style="list-style-type: none"> ■ 100% available for purchase at plan value (willing to consider increase at a future point depending on 2L desire to purchase and 1L desire to sell). For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt ■ Counsel to work together to structure appropriate exercise period and procedures
<p>TERMINATION FEE</p> <ul style="list-style-type: none"> ■ No 	<ul style="list-style-type: none"> ■ No
<p>PREFERRED</p> <ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement 	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement
<p>PROPCO 2L INTEREST RATE</p> <ul style="list-style-type: none"> ■ 8.0% 	<ul style="list-style-type: none"> ■ 8.0%
<p>CPLV</p> <ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties. Floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6BN starting amount. All deleveraging goes to reduce junior debt. 5% blend raised 50bps for each \$100MM of deleveraging ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount 	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than 4.0% 5.0% floor reduced \$1 for each \$1 of CPLV deleveraging vs. \$2.6BN starting amount. All deleveraging goes to reduce junior debt. 5% RAISED 50 bps for every \$100mm deleveraging ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount

no reduction to floor

SEPARATION SHEET

DEAL TERMS ISSUES LIST - COMPARISON

CEC MARKUP - 12/10

1L NOTEHOLDER RESPONSE

LEASE	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions 	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30 with standard escalator starting in year 7, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions
LEASE GUARANTY	<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager 	<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager
ADDITIONAL CONTRIBUTION / ADEQUATE PROTECTION	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ 100% excess at end swept to PropCo 	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ 100% excess at end swept to pay adequate protection at emergence, based upon limited budget acceptable to 1L Noteholders
CAPEX	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as consistent with credit agreement definition, so no double counting). \$10MM deductible rather than \$20MM 	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as consistent with credit agreement definition, so no double counting). \$10MM deductible rather than \$20MM
EQUITY	<ul style="list-style-type: none"> ■ 100% available to purchase at plan value. For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt ■ Counsel to work together to structure appropriate exercise period and procedures 	<ul style="list-style-type: none"> ■ 100% available to purchase at plan value (first from CEC, second from holders who elect to sell, last from holders who elect not to sell). For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt and equitize at plan value ■ Counsel to work together to structure appropriate exercise period (not to exceed 45 days), terms (non-transferrable rights) and procedures
TERMINATION FEE	<ul style="list-style-type: none"> ■ No 	<ul style="list-style-type: none"> ■ No
PREFERRED	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement 	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement
PROP CO 2L INTEREST RATE	<ul style="list-style-type: none"> ■ 8.0% 	<ul style="list-style-type: none"> ■ 8.0%
CPLV	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than amount implied by blended cap. No reduction to floor, cap raised 50 bps for every \$100MM of deleveraging. All deleveraging goes to reduce junior debt ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount 	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than amount implied by blended cap. All deleveraging of CPLV debt as a result of 2L equity rights goes to reduce junior debt. Upon deleveraging, cap raised such that debt service does not exceed \$130MM ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount

SEPARATION SHEET

COMPANY'S HANDWRITTEN NOTES FURNISHED DEC. 11.

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DEAL TERMS ISSUES LIST - COMPARISON

	CEC MARKUP - 12/10	1L NOTEHOLDER RESPONSE
LEASE	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions 	<ul style="list-style-type: none"> ■ CPLV: 5 years fixed, resets in year 6 and every five years thereafter at 80/20, 13.0% factor. Standard 2.0% or CPI escalator ■ Non-CPLV: 3 years fixed. Resets in year 3 and 5 at 70/30 <u>with standard escalator starting in year 7</u>, 19.5% factor. Resets every five years thereafter at 80/20, 13.0% factor ■ Base year is LTM as of emergence. Extensions beyond year 15 to have standard FMV adjustment provisions
LEASE GUARANTY	<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager 	<ul style="list-style-type: none"> ■ CEC Guaranty covers all monetary obligations of Tenant under the Leases, except solely following CEC's removal as manager by PropCo (or by OpCo's lender with PropCo's approval) absent cause (under the lease, management agreement, or Guaranty) and without occurrence of any default under the Guaranty. If CEC is terminated voluntarily, the Guaranty will continue to cover any post-termination management transition period during which CEC acts as manager
ADDITIONAL CONTRIBUTION / ADEQUATE PROTECTION	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ 100% excess at end swept to PropCo 	<ul style="list-style-type: none"> ■ \$275MM minimum contribution (in addition to \$100MM contribution). Up to \$350MM depending on cash needs per negotiations with Bank Lenders ■ 1.5% initial adequate protection rate ■ 100% excess at end swept to pay adequate protection at emergence, based upon limited budget acceptable to 1L Noteholders
LEASE	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as consistent with credit agreement definition, so no double counting). \$10MM deductible rather than \$20MM 	<ul style="list-style-type: none"> ■ \$78MM reduced by 50% of OpCo FCF (defined as consistent with credit agreement definition, so no double counting). \$10MM deductible rather than \$20MM
EQUITY	<ul style="list-style-type: none"> ■ 100% available to purchase at plan value. For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt ■ Counsel to work together to structure appropriate exercise period and procedures 	<ul style="list-style-type: none"> ■ 100% available to purchase at plan value <u>(first from CPLV, second from holders who elect to sell, last from holders who elect not to sell)</u>. For every \$1 of equity purchased, 2Ls must purchase 25¢ of CPLV junior debt <u>and equitize at plan value</u> ■ Counsel to work together to structure appropriate exercise period <u>not to exceed 60 days</u> <u>(non-transferable rights)</u> and procedures
ESSENTIALS	<ul style="list-style-type: none"> ■ No 	<ul style="list-style-type: none"> ■ No
PREPARED	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement 	<ul style="list-style-type: none"> ■ Removed. Will work collaboratively to structure some consent / backstop arrangement
PROP CO'S ANNUAL RATE	<ul style="list-style-type: none"> ■ 8.0% 	<ul style="list-style-type: none"> ■ 8.0%
CPIV	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than amount implied by blended cap. No reduction to floor, cap raised 50 bps for every \$100MM of deleveraging. All deleveraging goes to reduce junior debt ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount 	<ul style="list-style-type: none"> ■ 5.0% blended all in rate on \$2.6BN ■ Starting floor of \$2.0BN mortgage sold to third parties at no more than amount implied by blended cap. All deleveraging of CPLV debt as a result of 2L equity rights goes to reduce junior debt. Upon deleveraging, cap raised and the debt <u>increased by \$2mm for each \$100mm deleveraging.</u> ■ Mezz allocated as proposed with rates from 8.0% - 13.0% based on amount